BOARD REPORTS

Agendas and Reports

Wednesday, October 29, 2003

The GVTA Board Meeting was held on Wednesday, October 29, 2003, at 9:00 am in the Richmond City Hall, Council Chambers, at 6911 No. 3 Road, Richmond, British Columbia.

Meeting Agenda October 29, 2003
Supplemental Meeting Agenda October 29, 2003

- Minutes of October 1, 2003 Board Meeting
- 4.1 AirCare Program Net Revenue
- 4.2 Trolley Bus Replacement Project - Contract Award
  4.2 Attachment 1
- 4.3 Fraser River Crossing Request for Qualifications and Recommended Business Model
- 4.4 Community Shuttle Strategy
- 4.5 Award of Bowen Island Community Shuttle Service Contract
- 4.6 Intelligent Transportation Systems [ITS] - #98B-Line Bus Rapid Transit Evaluation Study
- 4.7 TransLink Environmental Management System
- 4.7 Attachment
- 4.8 Future Directions for U-Pass, Employer Pass and Community Pass Programs
- 4.9 Banking Services Contracts
- 4.10 Board and Committee Remuneration
- 4.10 Attachment
- 4.11 2003 Capital Program Projects - Specific Project Approval
- 4.12 January - August 2003 Transit Ridership
- 4.13 Lake City Way Station - Update
- 4.14 American Public Transportation Association - Intermodal Operations Planning Workshop 2004
- 4.15 Public Forum Discussion Notes
  4.15 Attachment

October 22, 2003

NOTICE TO THE
GREATER VANCOUVER TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

You are requested to attend a Regular Meeting of the Greater Vancouver Transportation Authority (GVTA) Board of Directors to be held on Wednesday October 29, 2003 at 9:00 a.m., Council Chambers, Richmond City Hall, 6911 No. 3 Road, Richmond, British Columbia.

A G E N D A

1. ADOPTION OF THE AGENDA

1.1 Wednesday October 29, 2003 Regular Meeting Agenda

Staff Recommendation:
That the Agenda for the Greater Vancouver Transportation Authority Board of Directors Regular Meeting scheduled for October 29, 2003 be adopted as circulated.

2. ADOPTION OF THE MINUTES

2.1 Wednesday, October 1, 2003 Regular Meeting Minutes

Staff Recommendation:
That the Minutes of the Greater Vancouver Transportation Authority Board of Directors Regular Meeting held October 1, 2003 be adopted as circulated.

3. DELEGATIONS

Since the deadline for delegation requests is two business days prior to the Board meeting, a list of delegates will be presented to the Board on-table.

4. REPORTS

4.1 AirCare Program Net Revenue

Report from Sheri Plewes, Vice President, Capital Management and Engineering and M. A. (Martin) Lay, CEO, PVTT

Staff Recommendation:

A. That the Board:

- Extend the initial newest vehicle exemption from two model years to three model years.
- Establish a test fee schedule of $47.00 test fee for 1992 and newer vehicles – tested biennially;
- $23.00 test fee for 1991 and older vehicles – tested annually;
- $23.00 test fee for all re-inspections effective January 1, 2004.

B. That the Board request the Province take the necessary steps to amend the Motor Vehicle Act Regulations accordingly.

4.2 Trolley Bus Replacement Project – Contract Award

Report from Sheri Plewes, Vice President, Capital Management and Engineering

Staff Recommendation:

A. That the Board approve the award of Contract 0001-08, Procurement of Low Floor Electric Trolley Buses to New Flyer Industries Ltd. and authorize the CEO or designate to enter into the contract substantially in accordance with the key business terms outlined in this report;

B. That the Board authorize a budget increase of $17 million to Project 0001-08 Trolley Bus Replacement for a revised project budget of $272.9 million, based on an exchange rate of 1.56 Canadian dollars per Euro; and

C. That the Board authorize the purchase of approximately $70 million Euros at contract signing by securing forward rates based on estimated progress payments, and add any increase in project cost resulting from changes in the exchange rate to the project budget.

4.3 Fraser River Crossing Request for Qualifications and Recommended Business Model

Report to follow under separate cover from Fred Cummings, Project Director, Fraser River Crossing

4.4 Community Shuttle Strategy

Report from Pat Jacobsen, Chief Executive Officer

Staff Recommendation:

That the GVTA Board authorize staff to negotiate an agreement with Coast Mountain Bus Company Ltd. (CMBC) for the provision (through individual contracts for each service area) of new Community Shuttle Services to be implemented during the period January 1, 2004 to December 31, 2006 as set out in this report, provided CMBC agrees to provide such services in a manner that meets or exceeds financial and service parameters set by TransLink.

4.5 Award of Bowen Island Community Shuttle Service Contract

Report from Ian Jarvis, Chief Operating Officer

Staff Recommendation:

That the Board:

A. Approve the selection of Bowen Island Community Transit Ltd. as the preferred service provider for the Bowen Island Community Shuttle Service effective January 1, 2004.

B. Direct staff to finalize the Operating Agreement with Bowen Island Community Transit Ltd. for the delivery of Community Shuttle Service in Bowen Island for the period January 1, 2004 to December 31, 2006.

4.6 Intelligent Transportation Systems (ITS) - #98 B-Line Bus Rapid Transit Evaluation Study

Report from Sheri Plewes, Vice President, Capital Management and Engineering, and Glen Leicester, Vice President, Planning

Staff Recommendation:

That the Board:

A. Receive the report entitled "#98 B-Line Bus Rapid Transit Evaluation Study" for information.

B. Direct staff to report back on the potential upgrading of existing B-Line routes using ITS technology and transit priority measures.

4.7 TransLink Environmental Management System

Report from Sheri Plewes, Vice-President, Capital Management and Engineering

Staff Recommendation:

That the Board approve the Environmental Policy and Environmental Management System (EMS).

4.8 Future Directions for U-Pass, Employer Pass and Community Pass Programs

Report from Glen Leicester, Vice President, Planning

Staff Recommendations:

That the Board:

i) Receive the report dated October 17, 2003, titled "Future Directions for U-Pass, Employer Pass and Community Pass Programs;

ii) Subject to resources to be obtained through the proposed new Three Year Transportation and Financial Plan and a successful review of the current U-Pass program at the University of BC and Simon Fraser University, direct staff to:

- Work with the other publicly funded post secondary schools under the current FastTrax Program to expand the U-Pass Program to all schools by 2007.
- Work with major employers to launch a pilot Employer Pass Program for employees and their families, employing similar principles to the U-Pass Program.
- Work with UBC and SFU to launch a pilot Community Pass Program, employing similar principles to the U-Pass Program.

iii) Bring back to the Board for their approval the details of agreements for launching an expanded U-Pass Program and pilot Employer and Community Pass Programs.

4.9 Banking Services Contracts
Report from Ian Jarvis, Chief Operating Officer

Staff Recommendation:
That the Board:

A. Approve the selection of Scotiabank as the provider for core banking and coin processing services for TransLink and its subsidiaries for the five years 2004 to 2008; and

B. Approve the selection of Moneris as provider for debit and credit card services for the five years 2004 to 2008, subject to satisfactory testing of PinPads for the West Coast Express.

4.10 Board and Committee Remuneration
Report from the Finance and Audit Committee

Committee Recommendation:
In order to maintain consistency between the GVTA Board remuneration policy and the GVRD Board remuneration policy, that the Board replace the existing "Resolution to Adopt Guidelines for Payment of Remuneration and Expenses of Directors and Advisory Committee Members of Greater Vancouver Transportation Authority" with the new "Resolution to Adopt Guidelines for Payment of Remuneration and Expenses of Directors and Advisory Committee Members of Greater Vancouver Transportation Authority" set in Appendix "3" of this report, effective January 1, 2004.

4.11 2003 Capital Program Projects – Specific Project Approval
Report from Sheri Plewes, Vice President, Capital Management and Engineering

Staff Recommendation:
That the Board provide Specific Project Approval for the following capital projects:

- Custom Transit Vehicle Expansion 2004: Budget: $820,000
- Pattullo Bridge Rehabilitation Program Phases 1 & 2: Budget: $10,700,000
- Intelligent Transportation System Program – Studies; with delegation of approvals for ITS studies not exceeding $200,000 to the CEO or designate.

Information Reports

4.12 January - August 2003 Transit Ridership
Report from Glen Leicester, Vice President, Planning

4.13 Lake City Way Station – Update
Report from Glen Leicester, Vice President, Planning

4.14 American Public Transportation Association – Intermodal Operations Planning Workshop 2004
Report from Glen Leicester, Vice President, Planning

5. INFORMATION ITEMS

6. OTHER BUSINESS

7. ADJOURNMENT

October 23, 2003

GREATER VANCOUVER TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

SUPPLEMENTAL AGENDA MATERIAL

For the **Regular** Meeting of the **Greater Vancouver Transportation Authority (GVTA) Board** to be held on Wednesday, October 29, 2003 at 9:00 a.m. in Council Chambers, City of Richmond, 6911 No. 3 Road, Richmond, British Columbia.

4. REPORTS

Add the following reports to the agenda package.

4.3 Fraser River Crossing Request for Qualifications and Recommended Business Model
Report from Fred Cummings, Project Director, Fraser River Crossing

Staff Recommendation:
That the Board approve entering the procurement phase of the Fraser River Crossing project and direct staff to issue a Request for Qualifications based upon a business model in which:

A) TransLink creates a Special Purpose Entity (new subsidiary) responsible for obtaining the necessary financing for the Fraser River Crossing project that is non-recourse to TransLink;
B) The Special Purpose Entity contracts with a Design, Build and Operate consortium that will be responsible for the delivery of the Fraser River Crossing; and,
C) The revenues are collected using the tolling principles outlined in this report.

Information Report

4.15 Summary Notes of the October 7, 2003 Urban Transportation Forum
Report from Michael Drummond, Manager Public Consultation Forum

GREATER VANCOUVER TRANSPORTATION AUTHORITY

Minutes of a Regular Meeting of the Greater Vancouver Transportation Authority (GVTA) Board of Directors held at 9:05 a.m. on Wednesday, October 1, 2003, in the Pitt Meadows Recreational Hall, 12460 Harris Road, Pitt Meadows, British Columbia.

DIRECTORS PRESENT:
Chair D. McCallum, Surrey
F. Bass, Vancouver
M. Brodie, Richmond
D. Cadman, Vancouver
L. Campbell, Vancouver
M. Grinnell, Langley, City
M. Hunt, Surrey
D. MacLean, Pitt Meadows
B. Sharp, North Vancouver, City
J. Trasolini, Port Moody
W. Wright, New Westminster
S. Young, Port Coquitlam

VACANCIES:
3 members appointed by the Lieutenant Governor in Council

STAFF IN ATTENDANCE:
P. Jacobsen, Chief Executive Officer
G. Chen-Kuo, Corporate Secretary
L. McLevy, Recording Secretary

1. ADOPTION OF THE AGENDA

1.1 Wednesday, October 1, 2003 Regular Meeting Agenda

It was MOVED and SECONDED
That the Agenda for the Greater Vancouver Transportation Authority Board of Directors Regular Meeting scheduled for October 1, 2003 be adopted as circulated.

CARRIED

2. ADOPTION OF THE MINUTES

2.1 Wednesday, July 23, 2003 Regular Meeting Minutes

It was MOVED and SECONDED
That the Minutes of the Greater Vancouver Transportation Authority Board of Directors Regular Meeting held July 23, 2003 be adopted as circulated.

CARRIED

2.2 Wednesday, July 30, 2003 Regular Meeting Minutes

It was MOVED and SECONDED
That the Minutes of the Greater Vancouver Transportation Authority Board of Directors Regular Meeting held July 30, 2003 be adopted as circulated.

CARRIED

3. DELEGATIONS

3.1 Robert Rondeau

Mr. Rondeau spoke to the board regarding TransLink's policy of issuing tickets to passengers on SkyTrain who cannot show proof of payment. Mr. Rondeau expressed the opinion that youth were being unfairly targeted and that in many cases it was a matter of confusion and not fare evasion.

3.2 Bus Riders Union

Members of the Bus Riders Union presented the Board with a petition entitled "Billions for Buses." It was agreed that copies of the petition will be distributed to the board members.

4. REPORTS

4.1 10 Year Transportation Outlook and Three-Year Financial Strategy

Report dated September 23, 2003 entitled "10 Year Transportation Outlook and Three-Year Financial Strategy" from Glen Leicester, Vice President, Planning and Robert Paddon, Vice President, Corporate and Public Affairs.

It was MOVED and SECONDED
That the Board:

A. Approve the release of the 10 Year Transportation Outlook and Three-Year Financial Strategy discussion paper, attached as Appendix 1 to this report, for consultation; and

B. Adopt the "Transportation Year Outlook and Three-Year Financial Strategy Communication and Consultation Plan," attached as Appendix 2 to this report, pursuant to s. 15(1)(a) of the *Greater Vancouver Transportation Authority Act*.

CARRIED

4.2 Richmond Airport Vancouver Project – Federal Funding Commitment

Report dated August 29, 2003 entitled "Richmond Airport Vancouver Project – Federal Funding Commitment" from Pat Jacobsen, Chief Executive Officer and Sheri Plewes, Vice President, Capital Management.

It was MOVED and SECONDED

That the Board re-affirm its commitment to fund up to $300 million (2003 dollars) plus interest during construction in capital funds subject to:

- The Vancouver Airport Authority committing to pay for actual costs of the Airport Connector (estimated at $250M) and a portion of common system costs (estimated at $50M), the Province committing at least $300M (2003 dollars) and Federal Government committing at least $300M towards the project;
- The Province entering into a legal agreement with the Federal Government regarding the Federal contribution to the RAV Line, and
- The GVTA entering into legal agreements with YVR and Province regarding each party's commitments to the RAV Line.

CARRIED

Director Bass voted in the negative.

4.3 Maple Ridge / Pitt Meadows HandyDART

Report dated September 23, 2003 entitled "Maple Ridge/Pitt Meadows HandyDART" from Ian Jarvis, Chief Operating Officer.

It was MOVED and SECONDED

That the Board:

A. Approve the selection of D-W Services Ltd. as the preferred service provider for the Maple Ridge / Pitt Meadows HandyDART service effective January 01, 2004;

B. Direct staff to finalize the Operating Agreement with D-W Services Ltd. for the delivery of HandyDART service in Maple Ridge/Pitt Meadows for the period January 01, 2004 to December 31, 2006.

CARRIED

4.4 Request for Exemption from Hydro Regional Transit Levy

Report dated September 4, 2003 entitled "Request for Exemption from Hydro Regional Transit Levy" from Paul Barlow, Manager, Revenue and Risk Management.

It was MOVED and SECONDED

That the Board, upon application being made, exempt Mr. G. Howes of 25691 84th Avenue, Langley, BC, from payment of the power levy for his second hydro account and provide notice of such exemption to the collector.

CARRIED

4.5 Port Coquitlam Transit Centre Seismic Upgrades – Additional Funding Request

Report dated August 27, 2003 entitled "Port Coquitlam Transit Centre Seismic Upgrades – Additional Funding Request" from Sheri Plewes, Vice President, Capital Management.

It was MOVED and SECONDED

That the Board approve additional funding of $366,250 for the completion of Project 0221 – Port Coquitlam Transit Centre Seismic Upgrades.

CARRIED

4.6 Appointment of External Auditor

Report dated September 3, 2003 entitled "Appointment of External Auditor" from Ian Jarvis, Chief Operating Officer.

It was MOVED and SECONDED

That the Board appoint the firm of KPMG as the external auditor for the Greater Vancouver Transportation Authority (GVTA) for the five years 2003 to 2007.

CARRIED

4.7 Ratification of Appointments to Subsidiary Boards

Report dated September 23, 2003 entitled "Ratification of Appointments to Subsidiary Boards" from Pat Jacobsen, Chief Executive Officer.

It was MOVED and SECONDED

That the GVTA Board of Directors resolves as follows:

(i) That John Lenahan, Manager Transportation Planning, Vancouver International Airport Authority, replace Peter Bianconi as Director of 592040 BC Ltd. (ITS Corporation) as of January 1, 2002;

(ii) That Dirk Nyland, Chief Engineer, Ministry of Transportation, replace John Dyble as Director of 592040 BC Ltd. (ITS Corporation) as of June 26, 2003;

(iii) That Tarek Sayed from the University of British Columbia replace Frank Navin as Director of 592040 BC Ltd. (ITS Corporation) as of July 15, 2003;

(iv) That Kevin Molloy, Manager, Transportation Planning, Vancouver International Airport Authority, replace John Lenahan as Director of 592040 BC Ltd. (ITS Corporation) as of September 15, 2003;

(v) That Geoff Freer from the Ministry of Transportation replace Frank Blasetti as Director of 592040 BC Ltd. (ITS Corporation) as of September 17, 2003; and

(vi) That Doug Kelsey, President, British Columbia Rapid Transit Company, replace Larry Ward as Director of British Columbia Rapid Transit Company Ltd. as of January 1, 2003.

CARRIED

4.8 Vancouver's Stanley Park "S-Curve" Project – Reconstruction of Pipeline Road

Report dated September 4, 2003 entitled "Vancouver's Stanley Park "S-Curve" Project – Reconstruction of Pipeline Road" from Paul Ham, Chair, Major Roads & Transportation Advisory Committee.

It was MOVED and SECONDED

That the Board approve the City of Vancouver's request to utilize its eligible 2003 MRN (Major Road Network) Minor Capital Program funding towards the cost of reconstructing a portion of Pipeline Road (New Stanley Park Entrance – New transit loop), to a maximum of $187,500 (50%) of the $375,000 project cost, on the basis that this should not be considered to be a precedent.

CARRIED

Information Reports

It was MOVED and SECONDED

That items 4.9 through 5.1 be received for information.

CARRIED

4.9 Platform Edge Tactile Warning System

Report dated August 20, 2003 entitled "Platform Edge Tactile Warning System" from Sheri Plewes, Vice President, Capital Management.

4.10 September Transit Service Improvements – Initial Review

Report dated September 22, 2003 entitled "September Transit Service Improvements – Initial Review" from Glen Leicester, Vice President, Planning.

4.11 Northeast Sector Rapid Transit: Status Report

Report dated September 21, 2003 entitled Northeast Sector Rapid Transit: Status Report" from Clive Rock, Director, Strategic Planning.

4.12 AirCare Update

Report dated September 9, 2003 entitled "AirCare Update" from Sheri Plewes, Vice President, Capital Management and M. A. (Martin) Lay, CEO, PVTT.

4.13 Second Quarter (Apr - Jun) - 2003 Capital Project Summary Report

Report dated August 25, 2003 entitled "Second Quarter (Apr – Jun) – 2003 Capital Project Summary Report" from Sheri Plewes, Vice President, Capital Management.

4.14 Second Quarter 2003 Revenue and Expenditure Forecast
Report dated September 3, 2003 entitled "Second Quarter 2003 Revenue and Expenditure Forecast" from Ian Jarvis, Chief Operating Officer.

4.15 Tender/Contract Award Information – April 1, 2003 to June 30, 2003
Report dated August 26, 2003 entitled "Tender/Contract Award Information – April 1, 2003 to June 30, 2003" from Ian Jarvis, Chief Operating Officer.

4.16 Interactive Voice Response System (IVR)
Report dated September 23, 2003 entitled "Interactive Voice Response System (IVR)" from Robert Paddon, Vice President, Corporate and Public Affairs and Jim Cochrane, Director, Customer Service, Coast Mountain Bus Company.

5. INFORMATION ITEMS

5.1 Letter from Granville Entertainment Group dated July 28, 2003.

6. OTHER BUSINESS

6.1 Delegates for Cascadia Conference in Portland
The GVTA board authorized Directors Bass, Brodie and Cadman to attend the Cascadia Conference in Portland, Oregon.

6.2 Director Trasolini's Notice of Motion regarding Late Night Transit Service

It was MOVED and SECONDED

WHEREAS bus service is a public service necessary to ensure access to the political, social and economic life of our community;

WHEREAS the lack of late night buses constitutes an economic hardship on late night workers, as they are often forced to spend unaffordable amounts of their income on taxis or cars;

WHEREAS the lack of late night buses constitutes a disregard of the safety of communities;

Therefore, be it resolved:

THAT TransLink reinstitute all Night Owl Buses which were cut in 2001 as soon as technically feasible.

It was MOVED and SECONDED
That the motion before the board be tabled until the six month Night Bus pilot project is completed and staff prepares a report to the board at the March 2004 board meeting.

CARRIED
Directors Bass, Cadman, Campbell, Trasolini and Wright voted in the negative.

7. ADJOURNMENT

It was MOVED and SECONDED
That this meeting now conclude.

CARRIED

(Time: 10:20 a.m.)

Certified Correct:

Corporate Secretary

Chair

Reviewed by the Finance & Audit Committee on October 15, 2003

To: GVTA Board of Directors

From: Sheri Plewes, Vice-President, Capital Management & Engineering
M.A. (Martin) Lay, CEO, PVTT

Date: October 9, 2003

Subject: **AirCare Program Net Revenue**

Staff Recommendation:

A. That the Board:
- Extend the initial newest vehicle exemption from two model years to three model years;
- Establish a test fee schedule of $47.00 test fee for 1992 and newer vehicles – tested biennially;
- $23.00 test fee for 1991 and older vehicles – tested annually;
- $23.00 test fee for all re-inspections effective January 1, 2004.

B. That the Board request the Province take the necessary steps to amend the Motor Vehicle Act Regulations accordingly.

PURPOSE

To advise the Board of fee and test schedule alternatives that could reduce the program's current positive net revenue.

BACKGROUND

In July 2000, the Board set the AirCare test fee schedule at a level that was anticipated to fund the program over the life of the contract. The test fee was designed to reflect the principle of user pay without generating either a net profit or loss.

AirCare revenue is derived strictly from inspection fees. Financial projections provided to the Board in July 2000 forecast positive program net revenue in the early years of the seven-year testing contract and a draw down from this contingency towards the final years. These contingency funds accrue to an operating trust that must be used to fund the costs to operate AirCare. The Board was advised at the October 1, 2003 Board meeting that as of the second quarter of 2003 the AirCare program had a positive net revenue of

$6.7 million. $2 million of the total was the result of a favourable CCRA ruling that exempted the AirCare test fees from the GST.

With the exception of the $2 million from the GST ruling, AirCare's current positive net revenue can be attributed to an increase in inspection volume. AirCare has identified two significant factors that have resulted in this increase in volume - fleet growth and multiple inspections. The growth of the Lower Fraser Valley vehicle fleet can be attributed to an increase in new vehicle sales, increased vehicle migration to the region, and the declining rate of vehicle retirement. Multiple inspections are characterized as inspections that occur when not actually required prior to re-licensing. These unnecessary inspections are likely driven by human factors and may include multiple attempts to pass without repairs, inspections prior to vehicle re-sale, etc. Current projections include approximately 50,000 unnecessary inspections over the next three years. Please see attached Appendix A for a detailed overview of the contributing factors of the positive net revenue to date.

Test Fee Alternatives

Staff investigated a number of test fee alternatives to deal with the positive net revenue. The alternatives listed below provide the Board with a summary of the projected financial impacts from each of these alternatives.

The financial modeling for these alternatives does not factor in all of the potential risks (i.e. fluctuating testing volumes or potential labour disruptions). These conditions present a financial exposure that may affect AirCare's ability to maintain a neutral program budget by contract end.

1. **Extend the initial newest model year vehicle exemption and establish a general test fee reduction** - RECOMMENDED

   Combine a general test fee reduction with an extension of the newest model year vehicle exemption, effective January 1, 2004:

   - Extend newest vehicle exemption from two model years to three model years; plus
   - Establish a reduced test fee schedule for all inspections, effective January 1, 2004:
     - $47.00 test fee for 1992 and newer vehicles – tested biennially;
     - $23.00 test fee for 1991 and older vehicles – tested annually;
     - $23.00 test fee for all re-inspections.

   Financial impacts

   - $2.8 million positive program net revenue on August 31, 2006
   - As an operating contingency this represents 1.6% of the total cost of the program.
   - A negative variance of 4% against the projected testing volumes would result in a net loss for the program by the end of the contract.

2. **General test fee reduction**

   Reduce the test fee for all inspections, effective January 1, 2004:

   - $44 for 1992 and newer vehicles – tested biennially;
   - $20 for 1991 and older vehicles – tested annually;

- $20 for all re-inspections.

Financial impacts
- $3.5 million positive program net revenue on August 31, 2006.
- As an operating contingency this represents 2.0% of the total cost of the program.
- A negative variance of 5% against the projected testing volumes would result in a net loss for the program by the end of the contract.

3. 1992 and newer test fee reduction

Reduce the test fee for 1992 and newer vehicles only, effective January 1, 2004:
- $41 test fee for 1992 and newer vehicles – tested biennially;
- test fee for 1991 and older vehicles and all re-inspections would remain at $24 and these vehicles would continue to be tested annually.

Financial impacts
- $3.9 million positive program net revenue on August 31, 2006.
- As an operating contingency this represents 2.2% of the total cost of the program.
- A negative variance of 5.5% against the projected testing volumes would result in a net loss for the program by the end of the contract.

Test Procedure Enhancement

The United States Environmental Protection Agency (US EPA) recommends that the newest model year vehicles receive an On Board Diagnostic (OBD) download test in place of a dynamometer-based emission inspection. The US EPA no longer provides technical support (emissions standards, weight and horsepower parameters) for traditional tailpipe testing for 2002 and newer vehicles. AirCare has performed OBD testing on 1998 and newer vehicles as an advisory since 2001. Implementation of OBD testing will not require further capital investments, has the full support of the GVRD and will not result in a loss of environmental efficiency for the program.

Should the Board choose to extend the newest vehicle exemption from two model years to three model years then staff strongly recommends the implementation of a new test procedure for 2002 and newer vehicles prior to their first AirCare inspection in 2005. Staff will report back to the Board at a later date prior to implementing any test procedure enhancements.

CONCLUSION

If all forecasts remain on target, the Board could safely reduce the AirCare program's positive net revenue in January 2004. As such, staff recommend that the Board approve Alternative 1.

Appendix A

Contributing factors of the AirCare positive net revenue

Fleet Growth – The number of vehicles in the GVRD and FVRD are growing faster than projected, which has led to increased test volumes. This can be attributed to an increase in new vehicle sales, increased vehicle migration to the region, and the declining rate of vehicle retirement.

Multiple Failed Inspections – A failing vehicle does not require more than 2 inspections per year to be re-licensed. However, some motorists choose to make numerous attempts to pass the test without following the recommended AirCare repair process.

The following are some assumed reasons for multiple failed tests:

- Motorists may 'try their luck' on a re-test without having repairs performed. A re-inspection fee is far less expensive than the cost of emission repairs.
- Motorists may choose to have repairs done at non-certified shops and are therefore not eligible for conditional passes. If a repair is not effective, the vehicle cannot be re-licensed so they must make another attempt until a full pass is achieved.
- 1992 and newer vehicles that pass inspection are on a biennial test schedule, however vehicles that receive a conditional pass must be tested annually. Motorists not satisfied with a conditional pass may choose to have further repairs performed and have their vehicles re-tested in order to return to the two-year testing cycle.

"Off-Cycle" Testing – Off-cycle testing refers to a motorist having their vehicle inspected at a time when not required as a condition of re-licensing.

- Some off-cycle tests may be performed on vehicles prior to resale to assure would-be purchasers that the vehicle is operating normally.
- In January 2001, AirCare introduced IM240 testing for 1992 and newer model year vehicles at a cost of $48 on a biennial basis. To initially split the fleet, only odd model year vehicles were required to have the IM240 inspection—even model year vehicles were exempt until 2002. In an attempt to avoid paying the higher cost, approximately 35,000 inspections were performed on odd model year vehicles in late 2000. These vehicles received the $24 annual test and were able to renew their license in 2001, delaying their first IM240 inspection until 2002.

Canada Customs & Revenue Agency (CCRA) Decision on GST Test Fee Eligibility – When TransLink became responsible for AirCare in 1999, an application was made to exempt the AirCare test fee from the GST. As anticipated, CCRA ruled that the test fee was GST exempt but decided not to reimburse the GST equivalent payments. This decision was successfully appealed resulting in a reimbursement of $2 million in 2002. The timing of the CCRA's final ruling inflated AirCare's original projected surplus of $4.1 million to the $6.1 million reported in AirCare's 2002 4th Quarter budget forecast.

To: GVTA Board of Directors

From: Sheri Plewes, Vice-President, Capital Management & Engineering

Date: October 17, 2003

Subject: **Trolley Bus Replacement Project - Contract Award**

Staff Recommendation:

A. That the Board approve the award of Contract 0001-08, Procurement of Low Floor Electric Trolley Buses to New Flyer Industries Ltd. and authorize the CEO or designate to enter into the contract substantially in accordance with the key business terms outlined in this report;
B. That the Board authorize a budget increase of $17 million to Project 0001-08 Trolley Bus Replacement for a revised project budget of $272.9 million, based on an exchange rate of 1.56 Canadian dollars per Euro; and
C. That the Board authorize the purchase of approximately $70 million Euros at contract signing by securing forward rates based on estimated progress payments, and add any increase in project cost resulting from changes in the exchange rate to the project budget.

PURPOSE

To inform the Board of the results of procurement activities related to the replacement of the trolley bus fleet, including the results of negotiations with the Selected Proponent with respect to key commercial terms and technical components, and to recommend award to the Selected Proponent. The Board is also requested to authorize the CEO or designate to enter into the contract with the Selected Proponent substantially in accordance with the key business terms outlined in this report and to increase the project budget by $17 million.

BACKGROUND

The replacement of the existing fleet of 244 trolley buses was approved by the Board in June 2000. The approved procurement recommendation was based on the projected service requirements identified in TransLink's original Strategic Transportation Plan and consisted of:

- 205 low-floor 40-foot electric trolley buses; and
- Either 60 additional low-floor 40-foot trolley buses or 40 low-floor articulated trolley buses.

These vehicles were originally planned for delivery between 2002 and 2004.

The Board also approved the ability for staff to pursue a fleet expansion option to meet projected 2006 service requirements for a future order of 60 low-floor 40-foot trolley buses or 40 low-floor articulated trolley buses. This option was to be available for TransLink to exercise, with Board approval by 2004 and vehicle delivery in 2005 and 2006. Additional funding would have been required in 2004 for this option.

Staff were to report back to the Board with the details of the procurement package prior to the award to a successful proponent.

An Expression of Interest was sent out in Fall 2000 for the supply of up to 325 electric trolley buses. Thirteen responses were received from international manufacturers of heavy-duty buses, electrical propulsion systems or consortia. However, as a result of the ensuing funding uncertainties, the trolley bus replacement project was put on hold for over one year, until Board approval of the Choice 2 funding option in the Fall of 2001, when TransLink renewed its commitment to the procurement of a new trolley bus fleet.

During 2002, the procurement proceeded with several preparatory actions:

- the award of a contract to Booz Allen Hamilton Inc. for project management and technical support services
- the release of a Request for Expressions of Interest to reestablish TransLink's intent to procure electric trolley buses
- the retention of SNC Lavalin to provide procurement and document control services
- the retention of Singleton Urquhart and Lawson Lundell to provide legal counseling on the RFP document and the procurement process
- the issuance of an RFP and award of a contract to IBI Group to determine the number and type of trolley buses required for various future service scenarios
- the investigation of the impact of wheelchair loadings on service levels, and possible mitigation measures
- the issuance of a draft RFP for industry review. Comments were received in November 2002 and taken into consideration in finalizing the RFP for the electric trolley bus procurement.

In December 2002, the Board received an update on the project status and received an overview of the procurement model prior to issuance of the final Request for Proposal.

Applications were also made requesting contributions from the BC Canada Infrastructure Program for federal funding to the trolley fleet replacement project. To date, no positive responses have been received.

DISCUSSION

Project Status

The following activities have been undertaken since the December Board report:

- January 16, 2003: Issued Request for Proposals
- April 16, 2003: Received two proposals, New Flyer Industries with Kiepe Electric and Neoplan USA Corporation with Skoda Electric
- June 27, 2003: Completed meetings with Proponents to discuss proposal weaknesses
- July 12, 2003: Completed due diligence review of Proponents' manufacturing facilities and technology
- July 23, 2003: Received revised proposals from Proponents
- August 1, 2003: Evaluation Committee reviewed, discussed and reached consensus on scores for each proposal
- August 5, 2003: Received endorsement from Steering and Technical Committees to negotiate with Selected Proponent, New Flyer Industries Ltd.

Evaluation and Negotiation of Proposals

The evaluation criteria and general evaluation and negotiation processes were included in the RFP. Staff developed detailed evaluation and negotiation procedures prior to receipt of proposals and received endorsement by the Technical and Steering Committees. The Evaluation Committee includes Commercial and Technical Teams, with broad representation from both TransLink and CMBC.

Six Evaluation Committee meetings were held to review, discuss, evaluate and score each proposal. After each Proponent's initial proposal was reviewed and evaluated, the Negotiating Team met twice with each Proponent to discuss concerns, cost drivers and express expectations of commercial and key technical aspects of the Proponent's proposal. Due diligence reviews of Proponents' manufacturing facilities and technology were completed by a subset of the Evaluation Committee and Negotiation Team and a review of each Proponent's financial viability was performed by SNC Lavalin Capital to assess TransLink's risk exposure to non-performance of the contract.

Following the receipt of revised proposals from both Proponents, the Evaluation Committee again reviewed, discussed, evaluated and reached consensus on the scores for each proposal in August 2003. Based on the evaluation grading criteria, New Flyer consistently scored equivalent or higher than Neoplan against all evaluation criteria, including:

- Financial stability, risk and cost
- Product acceptability
- Schedule credibility

The Evaluation Committee recommended to the Technical and Steering Committees that the Negotiating Team commence detailed negotiations with New Flyer Industries Ltd. as the Selected Proponent.

New Flyer Industries Final Proposal

New Flyer's final proposal includes the following key provisions:

- Contract price of $119 million Cdn and 70 million Euros (excluding taxes), based on 188 low floor 40' electric trolley buses, 40 low floor 60' articulated electric trolley buses, including a one year "bumper-to-bumper" warranty with extended warranties on major subsystems and components.
- Performance bond of $15 million provided on execution of the contract. The bond would be reduced 50% after 50% of the new fleet has been delivered and subsequently on a pro rata basis upon acceptance of each bus, reaching $0 upon acceptance of the last bus, so that no bonding would be in place during the warranty period.
- Ten percent of the total contract value (approximately $23 million) would be payable when the contract is signed.
- Contract milestone payments will be made in Euros for the propulsion equipment and related work and Canadian dollars for the remainder of the equipment and related work. With these payment terms, TransLink will assume the foreign exchange risk for the propulsion equipment and related work, which constitutes approximately 50 percent of the contract value.
- Ten percent of the bus payment would be paid upon acceptance of each bus.
- The offer also includes minor technical deviations that are acceptable to TransLink.

The key business and contract terms are outlined more fully in Attachment A.

The New Flyer offer exposes TransLink to risk in three key areas, which TransLink has taken steps to mitigate:

- Payment schedule –TransLink has limited the payments prior to pilot bus acceptance to ten percent of the contract value. This limits TransLink's exposure to $9 million prior to acceptance of the first pilot bus. During the production phase, the gap between the capital costs incurred and New Flyer's security would increase to a maximum exposure of approximately $53 million in early 2006, when TransLink would begin taking delivery of and capitalizing the first production trolley buses.

- Contract security – The level of risk that TransLink incurs prior to receiving production trolley buses is considered acceptable. The financial investigation conducted by SNC Lavalin found both New Flyer and Kiepe a low risk for contract default based on the financial stability of each company. In addition, the bonding would not be reduced until 50 percent of the buses have been received. Finally, a

warranty escrow will be established, funded by 2 percent of each payment to New Flyer, which will be used to fund any warranty repairs.

- Foreign exchange – By agreeing to pay the Kiepe portion of the contract in Euros, TransLink was able to reduce the contract cost by approximately $16.5 million. However, TransLink thereby assumes the risk of additional interest if there are any contract delays. Imposing liquidated damages for late delivery will minimize the risk to TransLink of contract delays. Currency futures will be purchased upon execution of the contract, based on the schedule of progress payments included in the contract. The estimated cost of this approach to TransLink will be about $2.5 million, a net savings of $14 million, based on a current exchange rate of 1.56. Any increases in the actual cost of purchasing Euros at the time of contract signing will be incorporated into the project budget.

Based on the above considerations, staff recommend that the Board authorize the award of the contract for the procurement of low floor electric trolley buses to New Flyer Industries Ltd. The Board is also requested to authorize the CEO or designate to finalize the negotiations and enter into the contract with New Flyer Industries Ltd.

Budget Status

In June 2000, the Board approved a project budget of $256 million with approximately $6 million of the budget identified for project support costs, leaving $250 million available for procurement costs. In addition to the contract value, the procurement costs include taxes, financing during the term of the procurement, foreign exchange, project management and contingency.

The revised base proposal received by New Flyer in July proposed a contract price of $269,242,774. With the supporting procurement costs, taxes and interest, the costs associated with the procurement contract exceeded the budget by more than $45 million. A detailed review of the fleet replacement requirements and commercial and technical requirements was done to identify opportunities for reducing costs.

Fleet requirements – Trolleybus fleet requirements were reviewed based on the following:

- A review of ridership on trolley routes as a result of introduction of B-Line and Express services in the city of Vancouver over the past five years as well as projected ridership shifts with additional B-Line and express routes;
- The impacts of draft Service Design Guidelines and the 10 Year Outlook;
- Estimates of delay from wheelchair boardings;
- Revisions to the trolley route network;
- The value of articulated buses on certain routes; and
- The assumption that Richmond Airport Vancouver (RAV) Rapid Transit Project would be implemented and would impact service delivery on trolley bus routes.

The result of this review was that fleet requirements were reduced by 17 standard trolley buses to 188 standard and 40 articulated trolley buses. In terms of actual capacity, these fleet numbers equate to the existing fleet of 244 buses due to the introduction of articulated trolleys. If, however, RAV is not implemented, an additional 20 standard trolley buses will be required. An option for 20 buses would be included in the contract, with Board approval required prior to exercising the option. If RAV is implemented, this contract option for 20 additional vehicles could be exercised if the results of the Vancouver Area Transit Plan indicates additional trolley bus capacity is required.

It is important to note that the modeling for the fleet requirements assumed no increased congestion delay for trolley routes. Staff acknowledge that the trolleybus fleet will experience congestion delay and the usual mechanism for countering the effects of congestion delay is putting extra vehicles in service. The other mechanism to reduce congestion impacts is through transit priority measures. Staff believe that modest investments in transit priority measures could improve reliability or improve travel times. Staff will pursue opportunities for transit priority measures for the trolleybus routes with the City of Vancouver.

- Commercial and technical requirements – Negotiations with New Flyer have resulted in a number of adjustments to their July base proposal including:
  - Adjustments to warranty periods to reflect proven technologies;
  - Adjustments to acceptance testing and training requirements, and elimination of redundant testing;
  - Acceptance of foreign exchange risk by TransLink;
  - Availability of Oakridge Transit Centre, at no cost to New Flyer, for testing and commissioning of ETBs;
  - Reduction of margins by New Flyer and Kiepe, resulting in a price reduction of $7 million.

The combined cost reductions of the above resulted in a final proposal from New Flyer of $119 million Cdn and 70 million Euros ($109 million Cdn with an exchange rate of 1.56).

The revised budget required to support the procurement of a replacement fleet of trolley buses is summarized in Table 1.

Table 1
Revised Budget ($million)

Contract 0001-08 Value	$228
Taxes	$23
Financing	$6.4
Contingency	$7
Foreign exchange	$2.5
Other project costs	$6
Revised Project Budget	**$272.9**

It is therefore recommended that the Board authorize a budget increase of $17 million, for a revised project budget of $272.9 million.

The increase in budget of $17 million is equivalent to inflation on the overall project budget of $256 million from the year 2000 when the Board initially established the project. Mitigating this increase is the fact that a conservative number, 6.75%, was used for estimating the cost of borrowing for this project in the overall financial plan. TransLink is presently procuring capital funds at 5.5%, nearly 1.25% lower than projected. Every 1% reduction in interest rate on this project saves approximately $25 million in borrowing costs that were estimated to be spent on the project.

TransLink staff will also continue to pursue a reduction in or elimination of the PST by the Provincial Government for this project. Presently, the Provincial Government does not collect PST on alternative fuel vehicles such as compressed natural gas (CNG) vehicles. Electric vehicles are not presently designated as alternative vehicles under the Provincial Government program and staff will pursue this change.

Schedule Impacts

As a result of the delayed schedule, delivery of new vehicles cannot be expected to begin until 2006, due to the lengthy lead time that will be required for vehicle design, and manufacture. Final delivery is expected to occur in 2007. Timing for this project is critical as the existing twenty-year-old trolley bus fleet is already showing signs of failure, but will not be replaced for another three to five years. A minor trolley bus rebuild maintenance program is being undertaken by CMBC to extend the life of the trolley buses over this time period. However, it is expected that a portion of the trolley bus fleet will be removed from service over the procurement period and that diesel buses may need to be substituted on some trolley bus routes as an interim measure.

Alternatives

The Board could direct staff to maintain the project budget of $256 million by reducing the electric trolley bus fleet numbers by 27 buses and procuring 27 diesel buses to provide service in Vancouver. Staff do not recommend this alternative as it does not meet the alternative fleet objectives that the Board originally approved and the budget increase can be handled within the overall capital envelope.

CONCLUSION

It is recommended that the Board approve the execution of a contract with New Flyer for the procurement of 188 low floor 40' electric buses and 40 low-floor articulated electric trolley buses, with an option for 20 additional standard trolley buses to be exercised within two years. The Board is also requested to authorize the CEO or designate to finalize the negotiations and enter into the contract with New Flyer Industries Ltd. It is

further recommended that the Board authorize a budget increase of $17 million, for a revised project budget of $272.9 million.

ATTACHMENT A

Contract 0001-08 - Key Business Terms

Total Components

Item #	*Description*
1S	Management, engineering, tooling and testing for Standard Electric Trolley Buses (SETBs)
1A	Management, engineering, tooling and testing for Articulated Electric Trolley Buses (AETBs)
2S	188 new SETBs
2A	40 new AETBs
4	Training for ETBs
6	Operating, maintenance and parts manuals for ETBs
7	Diagnostic test equipment separate from ETBs (excluding bench test unit)

Optional Items

- 20 new SETBs
- Additional one year "bumper-to-bumper" warranty
- Additional 2 year propulsion equipment warranty
- Additional 2 year traction and ventilation motors warranty
- Additional 2 year warranty for retriever system, auxiliary inverters and converters, EPU and low voltage batteries
- Bench test unit
- Spare parts (list and prices, indexed to inflation, included in contract, numbers to be recommended by NF/Kiepe prior to delivery of production ETBs)

Contract Price

Total components: $119 million Cdn and 70 million Euros

Bonding

- $15M bond provided within 10 days of contract execution
- Bonding reduced by 50% after delivery of 50% of ETBs

Payment Terms

1S and 1A

- 10% upon award
- 90% upon acceptance of each pilot ETB

2A and 2S

- 10% upon award
- 45% upon shipment of Kiepe equipment
- 35% upon start of production
- 10% upon acceptance of each bus (see * in Escrow Accounts)
- 2% of each payment to warranty escrow account

Escrow Accounts

1. 2% of each payment to warranty escrow account
2. * 98% of the "10% upon shipment ex-factory" payment will be placed in a separate escrow account with accrued interest to GVTA. Payment to be released to New Flyer within 120 days from the date of shipment, failing which payment request would be forwarded to arbitration. The remaining 2% will be placed in the warranty escrow account.

Warranty Security

- Two independent escrow accounts (Canadian and Euro funds), administered jointly by NF and TransLink. The escrow accounts are independent for administration purposes only. Warranty claims paid from escrow account with unused funds plus interest paid to NF at end of warranty period.

Insurance

- NF current coverage with addition of Errors and Omissions coverage.

Foreign Exchange

- NF portion in Canadian dollars
- Kiepe portion (propulsion equipment) in Euros

OTC

- Available to NF/Kiepe at no cost during production period for testing and commissioning.

Warranty Periods

- 1 year "bumper-to-bumper"
- 12 year structural components

- 5 year basic body
- 2 year propulsion equipment
- 5 year door system
- 2 year traction and ventilation motors
- 2 year retriever system, auxiliary inverters and converters, EPU and low voltage batteries.
- 5 year compressor, H/V units, power steering system, drive axles, articulation section, differential and housing, wheelchair ramp
- 3 year brake system

Additional Contract Terms – Key Items

1. Liquidated damages of $750 per pilot ETB per day and $300 per ETB per day will apply for each *day* that an ETB is late.
2. Liquidated damages are limited to 5% of the Contract Price plus the value of any options exercised by the GVTA. TransLink may terminate if cap is reached.
3. TransLink may terminate for convenience or suspend the contract.

To: TransLink Board of Directors

From: Fred Cummings, Project Director Fraser River Crossing

Date: October 13, 2003

Subject: Fraser River Crossing
Request for Qualifications and Recommended Business Model

Staff Recommendation:

That the Board approve entering the procurement phase of the Fraser River Crossing project and direct staff to issue a Request for Qualifications based upon a business model in which:

A) TransLink creates a Special Purpose Entity (new subsidiary) responsible for obtaining the necessary financing for the Fraser River Crossing project that is non-recourse to TransLink;
B) The Special Purpose Entity contracts with a Design, Build and Operate consortium that will be responsible for the delivery of the Fraser River Crossing; and,
C) The revenues are collected using the tolling principles outlined in this report.

PURPOSE

The purpose of this report is to provide an information update confirming the financial feasibility of the Fraser River Crossing (FRC) project, and to request the Board's approval to issue a Request for Qualifications based upon the preferred business model described herein. The report provides an update on project scope, traffic and revenue forecasts, project user benefits, tolling principles and tolling procurement strategy, and an overview of the selection process.

BACKGROUND

In May 2002, the Board directed staff to i) develop the terms of agreements with agencies, municipalities, GVRD, the province and First Nations as required to be able to tender the FRC project and minimize its costs and ii) report back to the Board no later than December 2003 with the tendering plan, tender documents and proposed terms of agreements.

The project team is on schedule to deliver the draft terms and conditions for a Request for Proposal at the December board meeting. The Request for Proposal is scheduled for

release at the end of March 2004, assuming the project receives environmental assessment certification from the BC Environmental Assessment Office.

This request for release of a Request for Qualifications will allow the project team to evaluate submissions from private sector consortia interested in developing the FRC. A short list of proponents will then be invited to submit proposals in response to the FRP. A description of the selection process is provided later in this report.

DISCUSSION

Project Scope

The FRC will be a new six-lane fixed link across the Fraser River, linking Pitt Meadows and Maple Ridge on the north side of the river with Surrey and Langley on the south side (see Figure 1). The FRC will be located some 45 kilometres east of the City of Vancouver.

The FRC, which will be designed to arterial standards (as opposed to highway or freeway standards), will provide connections to Highway 7 on the north shore and to Highway 1, 176th Street (Highway 15) and potentially to the proposed South Fraser Perimeter Road on the south shore. Additional network improvements may be made in conjunction with the FRC project, including at Pitt River Bridge and along Highway 7 from the Pitt River Bridge.

Starting from the west, the FRC will run from an upgraded intersection at 176th Street (Highway 15) and 96th Avenue. Heading eastward, the route will parallel 96th Avenue to 180th Street, and will cross Highway 1 and Barnston Drive East, heading in the northeast direction.

From Highway 1, the proposed route will curve to the east, running parallel on the south side of the CN Rail tracks from approximately 186th Street to 199A Street. Intersections will be provided for future connection to the SFPR (184th Street) and at 192nd Street.
At 199A Street, the route will turn north crossing over the CN Rail tracks leading onto the main bridge structure over the Fraser River. At the CN Rail crossing, northbound traffic coming from 200th Street in Langley will access the bridge by a ramp from 201st Street. Southbound traffic will exit to 199A Street (one-way street) to access 200th Street. North of the Fraser River, the route will remain elevated crossing over Dyke Road east of Katzie IR#1 and will return to grade south of 113B Avenue. An interchange located at 113B Avenue will provide access to Maple Ridge industrial park and will accommodate future access to Pitt Meadows Airport.

From the 113B interchange, the route will continue to the north to the Lougheed Highway (Highway 7), generally following the municipal boundary between Pitt Meadows and Maple Ridge. It will cross over the CP Rail tracks on structure and remains on structure into an interchange north of the Lougheed Highway (Highway 7). Eastbound access onto Lougheed will be via a ramp onto Maple Meadows Way with a dedicated right turn lane onto Lougheed.

A new 3 km connector road (Abernethy Connector) will be constructed joining the interchange at Lougheed Hwy north and east to 128th Avenue (Abernethy Way) in Maple Ridge.

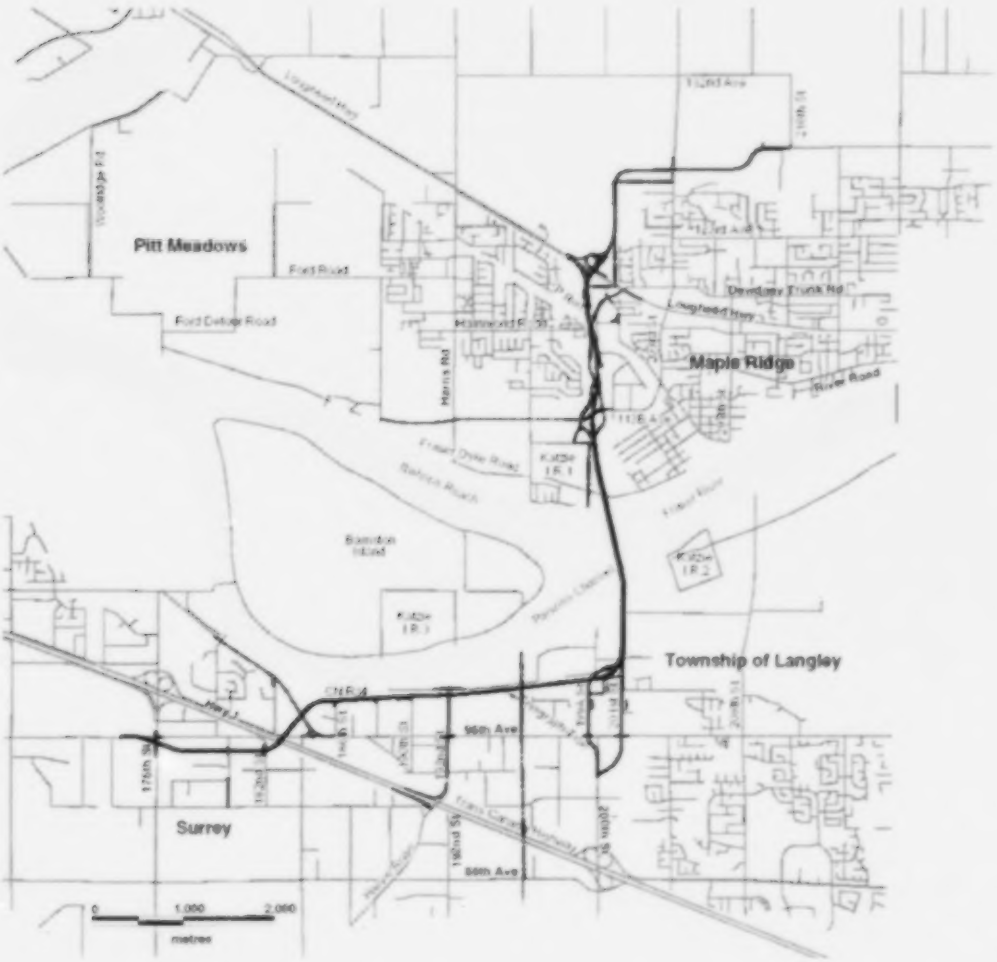


Figure 1: Fraser River Crossing Route Map

Planning for the FRC project has been undertaken in cooperation with the Province's Gateway Program to ensure consistency of approach in traffic planning and procurement processes, and to achieve cost efficiencies from the sharing of knowledge and resources.

In response to concerns of increasing congestion in Greater Vancouver, the Province has begun preliminary studies on the Gateway Program, a proposed set of improvements to the regional road network that would significantly enhance the movement of people and goods along and across the Fraser River.

The South Fraser Perimeter Road Project, the North Fraser Perimeter Road Project (from the Coquitlam side of United Blvd/Mary Hill Bypass/Pitt River Bridge and Hwy 7 to the FRC) and the Port Mann Bridge/Highway 1 improvement project are currently being explored as components of the Gateway Program. Combined with other initiatives currently underway, the Gateway Program would help create an integrated transportation network that would increase economic competitiveness, reduce travel times, and help keep regional traffic on regional roads, making Greater Vancouver a better place to live and work. The program team will work with local governments and communities to develop the Program in more detail and determine support for the proposed projects.

TransLink is undertaking planning for the FRC project in accordance with regulatory and environmental approval requirements. An Environmental Application has been submitted to the BC Environment Assessment Office, with environmental certification targeted for February/March 2004. The FRC request for proposal is scheduled for issue once certification is received.

The FRC project is being planned to minimize any negative impacts on green space and agricultural land, and to introduce new community benefits (e.g. pedestrian/cyclist amenities). While the FRC project does not involve use of First Nations land, ongoing liaison with the nearby Katzie Nation is being undertaken.

Public Consultation and Stakeholder Negotiations

Public consultation and communications is an integral part of the planning process for the FRC. It is recognized that consultation will result in a project that is responsive to the needs, concerns and requirements of the communities and the region that the project is meant to serve.

At the outset of the project development phase, a comprehensive public consultation and communications program was developed to proactively inform and engage the public. Over the course of the last 15 months, the consultation program has included:

- Development of a project website and information line
- Development of project brochures, displays, media releases and other project information materials to support communications
- Proactive media involvement to help provide the public with project related information

- Six public open houses
- 40 meeting and presentation to community groups
- Mass mail-outs to keep stakeholders informed about the project
- Two design workshops with community representatives to obtain input into the design standards

The results of the consultation program clearly show a high level of public interest and continued support for the FRC. At the same time, however, the consultation process has identified issues related to specific areas of the alignment. Input received from the public has resulted in changes to the road alignment to address community concerns. Specifically, changes to the alignment have been made in the communities of Abbey Ridge and Anniedale in Surrey, the 201st Street area in Maple Ridge, the interchange that crosses Lougheed Highway in Pitt Meadows, the alignment of the Abernethy Connector, and discussions continue with the affected businesses along the 199A and 201st one-way couplet. Additional work was undertaken throughout the alignment to reduce or limit the affects of the crossing on the neighbouring communities as much as possible.

TransLink is continuing to keep the public informed and involved in planning for the FRC. Public forums have recently been held in Maple Ridge and Langley to obtain public input to the project and to assist with the application for an Environmental Assessment Certificate. TransLink will also continue to respond to individual questions and concerns related to any aspect of the project.

Negotiations between TransLink and each of the immediately affected municipalities are continuing with the objective to have agreements reached before the end of the year, that detail the project scope and responsibilities. There is a commitment by TransLink to review the impact of the FRC on the municipal road network to determine if there are any roads that should be reclassified or included in the Major Road Network. The project team is working with the Major Road Technical Advisory Committee to ensure that process is completed within the same time frame as the municipal negotiations.

TransLink is negotiating with the Province to ensure that the infrastructure required to support the FRC is either in place on opening day of the FRC, or that there is a clear understanding of the timing and the source of funds to construct the necessary improvements. Improvements under consideration include the Pitt River Bridge, 200th Street Interchange on Hwy 1, Highway 7 from Harris Road to the FRC, and the South Fraser Perimeter Road. All of these projects are being planned within the scope of the Gateway Program except for the 200th Street interchange, which is sponsored by the Ministry of Transportation, Partnerships Department.

Traffic and Revenue Study

Steer Davies Gleave (SDG) is an internationally known traffic and revenue forecaster based in the United Kingdom. SDG was contracted by TransLink to develop preliminary traffic and revenue forecasts for the FRC. The study will be used to further develop the FRC, to inform and direct the production of final traffic forecasts, to undertake limited

sensitivity analysis, explore different combinations of schemes, toll levels and values of time, and to produce revenue forecasts for the FRC from opening until 2031. This work was done in close cooperation with the Gateway Program.

The traffic forecasts were developed using the regional EMME/2 transportation demand model. A number of changes were made to the model including recalibrating it to a base year of 2003 using the latest census and other land use and travel diary data. The model was expanded to include mid-day forecasts in addition to the AM peak hour forecasts. The model was then validated against an extensive traffic count and travel time survey undertaken by SDG.

The introduction of a major new link is primarily expected to generate one of two responses: the choice of a route may change as a result of a new link (called reassignment); or, the actual origins or destinations may change as a result of a new link (called redistribution).

Redistribution is of particular significance for the FRC. The main impact is the accessibility between Langley and Surrey to the south and Pitt Meadows and Maple Ridge to the north. The Langley/Surrey area changes from being very inaccessible (i.e. a 50 minute plus journey) location to a very accessible location (15 to 20 minutes) and vice versa. Consequently, some of the trips that currently stay within the Pitt Meadows or Maple Ridge area, or go to destinations in the North Fraser Valley, are expected to switch to destinations in Langley and Surrey.

While this redistribution has a large impact on the traffic volume predicted for the FRC, it is relatively small when considered within the totality of trips made in the crossing area. For example, with a $3 toll ($2003), the number of trips from Pitt Meadows/Maple Ridge that change to a new destination in Langley/Surrey represents only 10% of trip origins in that area.

The travel time isochrones (contours) in Figures 2 and 3 clearly show the change in accessibility provided by the FRC. Each isochrone, or contour interval, represents a travel time of 10 minutes from the proposed interchange of Lougheed Highway and the FRC. Currently, travel times of 20 minutes duration are contained within the municipalities of Pitt Meadows and Maple Ridge. With the addition of the FRC, users could penetrate south of Fraser Highway into the City of Langley within 20 minutes; trips that currently take up to 60 minutes.

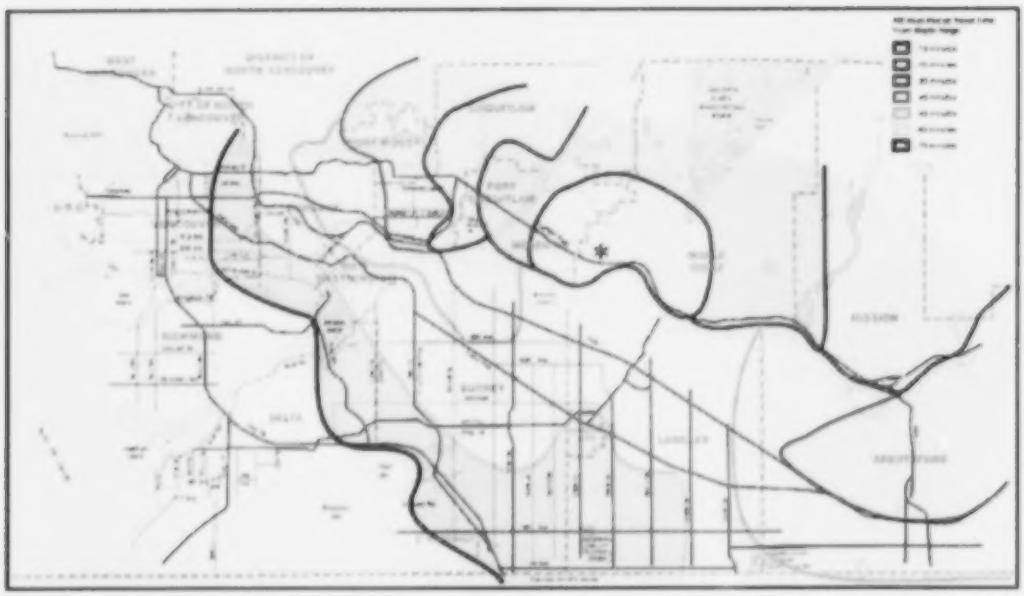


Figure 2: Travel Time Isochrones Without FRC – AM Peak Hour

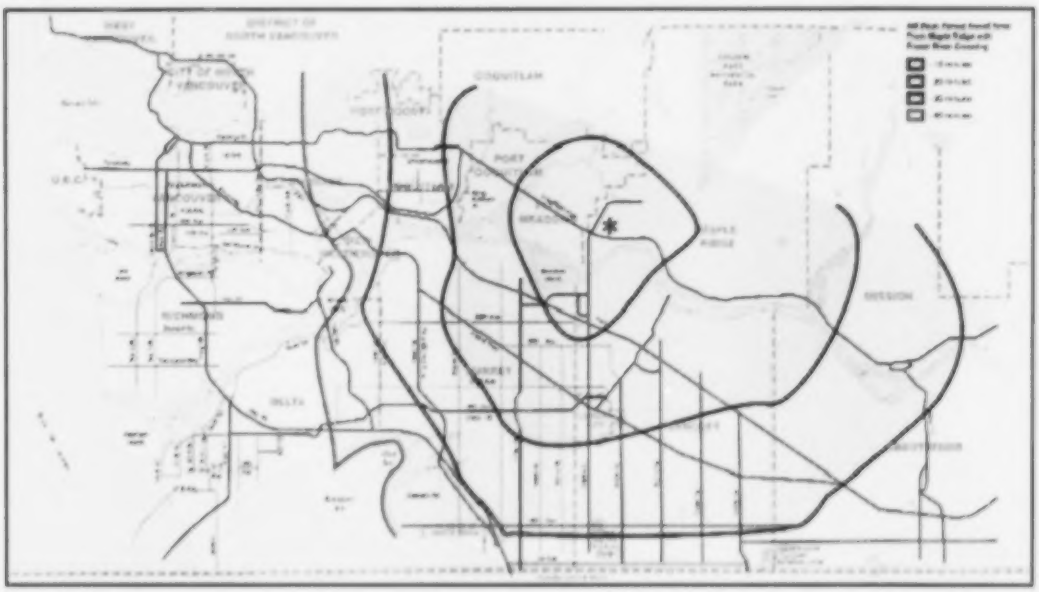


Figure 3: Travel Time Isochrones With FRC – AM Peak Hour

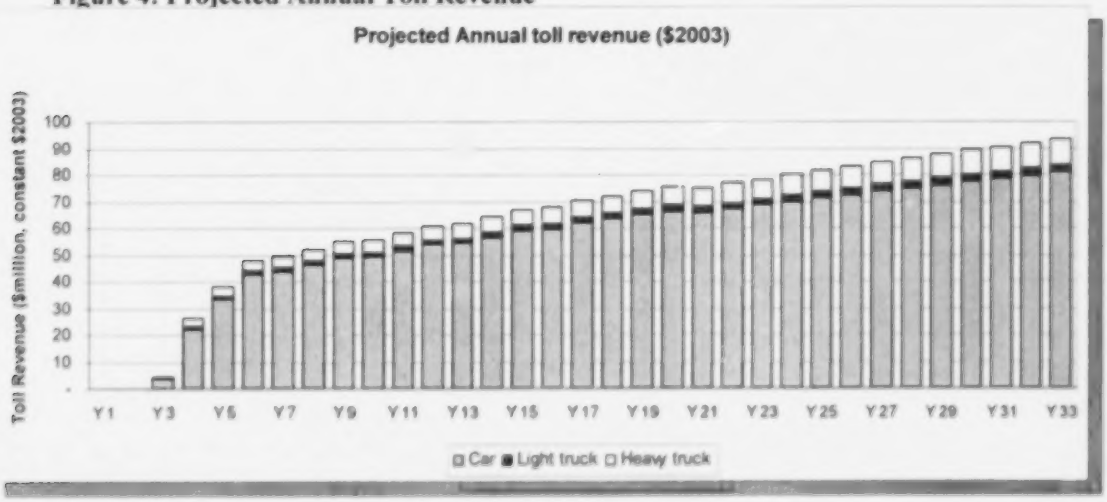
The willingness to pay tolls is another building block in the forecasting process. Willingness to pay is represented in the transportation model by inserting a "value of time". The values of time were derived from stated preference surveys conducted this year in Vancouver specifically related to the FRC and simply reference the value an individual places on his or her time when travelling.

The AM peak average value of time for cars is $12.70 and the mid-day average is $13.50. The values have been compared with other studies and have been found to be generally as expected. For example, the values (when adjusted for income and inflation) are very similar to values used by SDG on Highway 104, a relatively new tolled road in Nova Scotia.

After applying all these factors to the traffic volumes, SDG estimated the potential revenue from tolls. After an initial "ramp up" period, toll revenues are projected to increase steadily. The traffic and revenue study suggests an optimum toll rate of between $2.50 and $3.00 (2003$) for cars. Trucks will be paying a higher rate. As shown in the graph in Figure 4, based on 1.5X the car toll rate for light trucks and 2X for heavy trucks, trucks will make up roughly 10% of the total toll revenue. While 2X and 3X are used in some jurisdictions (e.g. Hwy 407 in Ontario), the lower factors have been used to give conservative estimates and address the objective of improving the movement of goods in the corridor.

These numbers and the analyses are based on the assumption that no major Provincial projects will proceed, except for those already committed. Preliminary analysis by SDG indicates that if major capacity improvements are made in the vicinity of the FRC, and are funded through tolls, revenues for the FRC would actually increase. It is clear that this is still an area where certainty would benefit the planning work for the crossing.

Figure 4: Projected Annual Toll Revenue



The revenue findings to date indicate that the forecasts are strongly influenced by trip redistribution. Even when testing a $3 toll, redistribution represented between about 50% of the total revenue. The total annual revenue forecasted provides $37.9 million in 2008, $52.2 million in 2011, $73.8 million in 2021 and $88.8million in 2031. The lower estimate in 2008 is due to the time it takes for ramping up of traffic as users become more familiar with the crossing and make their trip decisions based on the FRC benefits. While redistribution (new trips) may appear to be a high percentage of the total traffic using the crossing, it is not surprising when one considers that the FRC project provides a new link where none previously existed.

Project and user benefits
The objectives of the FRC project are to:

- Provide capacity for north-south travel and reduce travel times between Pitt Meadows/Maple Ridge and Surrey/Langley
- Assist in alleviating congestion on the Pitt River and Port Mann bridges
- Promote residential and industrial development
- Improve accessibility to and from existing and future industrial and commercial businesses
- Support GVRD's Livable Region Strategic Plan
- Minimize the impact on green space and agricultural land
- Provide a pedestrian and cyclist link between existing and planned trail networks on both sides of the river
- Improve transit connections across the Fraser River and provide connections from Surrey and Langley to the West Coast Express train service in Maple Ridge
- Connect Highways 1,7 and 15
- Minimize the financial impact of the new infrastructure on TransLink through user pay (toll) charges. (As determined by the TransLink Board, the FRC project will be funded from a combination of (1) user tolls and (2) funds now used to provide the Albion Ferry subsidy, which will be discontinued or transferred to local interests.)

By meeting the project objectives, the benefit-cost comparison for the FRC project is very favourable. User and transportation benefits will outweigh project costs by a factor of approximately four to one. In summary:

25-year Net Present Value Analysis @ 4.5%

User benefits	
Travel time savings	$1.6 billion
Vehicle operating costs savings	$1.4 billion
Safety benefits	$0.6 billion
Total user benefits	***$3.6 billion***
Project costs (25-year NPV)	**$0.9 billion**
Ratio of user benefits to project costs:	**3.9 to 1**

Although not quantified in the preceding summary, the FRC will also improve transit connections between the communities in Pitt Meadows, Maple Ridge, Langley and Surrey. New linkages will connect West Coast Express to Langley Centre, Walnut Grove and Surrey Centre.

The FRC will also accommodate cyclists and pedestrians, providing a link between existing and planned trail networks on both sides of the Fraser River.

FRC construction will have a significant positive economic impact on British Columbia's economy. Based on estimated construction costs, the FRC is estimated to generate $400 million[1] of gross domestic product (GDP) in BC, distributed as follows:

- $204 million of direct GDP
- $112 million of indirect GDP
- $84 million of induced GDP

The FRC is estimated to generate approximately 3,500 person-years of direct employment in building the facility, plus an additional 2,000 person-years of indirect employment and 1,500 person-years of induced employment (the re-spending of direct and indirect wages and salaries). In total, development of the FRC project will bring 7,000 person-years of employment to British Columbia.

One component of GDP value-added (government revenues) is reported separately. (Government revenues are an element of GDP, and are not in addition to GDP.) The FRC project is estimated to generate $155 million in direct, indirect, and induced federal, provincial, and municipal government revenues, distributed as follows:

- $87 million in federal government revenues[2]
- $64 million in provincial government revenues[3]
- $5 million in municipal government revenues[4]

The $155 million in federal, provincial, and municipal government revenues consists of $138 million in direct and indirect government revenues, and $18 million in induced government revenues.

The FRC will increase the economic competitiveness of the affected communities through:

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[1] All estimates are based on the BC Ministry of Finance Input-Output Model.

[2] Federal government revenues comprise the federal share of corporate and personal income taxes; federal excise taxes, duties, and sales taxes; and employer and employee contributions to Employment Insurance and the Canada Pension Plan.

[3] Provincial government revenues comprise the provincial share of corporate and personal income taxes; consumption taxes such as Provincial Sales Tax; liquor licence permits; gasoline taxes; and employer and employee contributions to workers' compensation.

[4] Municipal government revenues comprise the municipal share of residential and business property taxes, in addition to municipal fees and levies.

- *Improved workforce mobility* - Site selection and business attraction studies have consistently found that the most important factor in attracting business investment to a community is the availability of a qualified and affordable workforce. The significant reduction in commuting times between Pitt Meadows/Maple Ridge and Langley/Surrey will increase these communities' available workforce, and will enhance their economic competitiveness.
- *Improved flows of commercial goods and business traffic* - The significant travel time savings for commercial goods and business movement will reduce the costs of doing business, and contribute to the region's long-term economic competitiveness

A recent Transport Canada study estimates that the cost of congestion to Greater Vancouver's economy is in the range of $700 million to $1.3 billion annually. Other large North American cities (e.g. Seattle, San Francisco region, Boston), are only now investing heavily in road infrastructure, after having lost economic competitiveness because of traffic congestion (e.g. Boeing's head office exit from Seattle).

Tolling

The FRC project team has developed tolling principles for the FRC project. The FRC project is being developed based on the premise that:

- Tolls will be used to recover costs
- Having to provide a free alternative does not apply to projects involving the construction of new facilities in new corridors (i.e. users have a choice to use the FRC and pay a toll or not)
- The public sector (TransLink) will set the regulatory framework (e.g. pedestrians, bicyclists and TransLink buses would be free)
- The FRC will be a bridge toll only – no tolling of other components of the project
- The project will employ free-flow toll collection (electronic toll collection system)
- Variable toll rates may be prescribed to optimize traffic flow, for example, off peak rate discounts

A key point is that the tolling strategy that is adopted must provide for interoperability between FRC and any other tolled facilities that may be built in the future in order to provide a seamless environment to the users. Close coordination is required between road and tolling agencies to receive the benefits that result from interoperable systems and coordinated operations.

The issue that TransLink must first address is whether to include tolling as part of the overall project scope for the FRC, or alternatively, acquiring these services with a separate competition – isolating the selection of a tolling solution from the overall facility related RFP's and project scope.

The selection of the tolling procurement strategy is dependent on the overall business model selected for delivery of the FRC. The tolling strategy is discussed later in this report following the summary of the preferred business model.

Business Model and Risk Profile

Financial Viability

Significant effort has gone into reviewing the financial feasibility of the FRC project to confirm that it makes sense as a business opportunity for the private sector while at the same time ensuring that the toll cost to the users is acceptable and appropriate.

The near investment grade traffic and revenue study confirmed that the project would generate toll revenue of sufficient level that, when combined with the Albion Ferry subsidy, would cover the initial capital costs, ongoing operating and maintenance costs, rehabilitation and the costs of financing over 35 years.

Based on stressed (sensitivity tested) traffic numbers and qualitative factors, the project financial performance of the FRC is analogous to Highway 407, exhibits more robust debt service coverage levels and should achieve an "A" category credit rating.

Construction costs have been estimated at about $600 million, which reflects the current project scope. In the analysis, operating, maintenance and rehabilitation costs have been estimated based on existing contracts and experience in and around the region and include the costs for the roads, bridge and toll system.

Design and Construction

The project team considered two possible approaches to design and construction: a design-build (DB) or design-build-operate (DBO). In a design-build arrangement, the private sector consortium would design and construct the FRC for a fixed price, which would likely take the form of fixed payments over the construction period. The private sector consortium therefore bears the risk of capital cost overruns. TransLink would contract with another party to operate and maintain the facility (typically using a series of short term contracts, e.g. 5 years). The risk that design flaws or poor construction might lead to higher O&M costs would reside with TransLink.

In a DBO approach, the private sector consortium would not only design and build the FRC but also operate and maintain it. Payment could typically be made as a series of fixed payments over the term. The risk that design flaws or poor construction might lead to higher O&M costs would reside with the private sector consortium. A DBO approach requires a long operating term to optimize life cycle costs with appropriate security during the operating period. Analysis of DBO projects in other jurisdictions has proven that a DBO approach motivates the private sector consortium to optimize life cycle costs.

The preferred approach is to develop the FRC project as a DBO contract to take advantage of the lower project life cycle costs and to motivate the contractor to provide a high quality bridge and road. This is an appropriate approach for a road related project,

which has been favourably proven elsewhere, and is one where there is an appropriate allocation of risk to the party that can best bear it. The private sector has proven their ability to provide safe roads and bridges (public safety is not at issue).

Project Financing

The FRC project could be financed on either a recourse or non-recourse basis to TransLink. If the FRC project were financed on a recourse basis TransLink would borrow from the MFA whereby lenders would be relying on TransLink's ability to raise funds, rather than relying on toll revenue, to meet its debt service obligations. Under this scenario, TransLink would have to increase its borrowing limit. Alternately, the project could be financed on its own merits (that is, with non-recourse debt) either through the private sector or through a Special Purpose Entity controlled by TransLink (likely a new subsidiary of TransLink). If the FRC did not generate sufficient toll revenues to meet its debt service obligations, the lenders would not receive the scheduled debt service payment and would likely have to wait to make up the shortfall in future years. If revenues are well below expectation, the lenders are at risk. Under no circumstance would TransLink be obligated to make up the shortfall.

The advantages of recourse financing are the cost of debt would be somewhat lower than for non-recourse debt and, as TransLink would retain control over revenues it would allow TransLink greater flexibility in setting future toll rates.

The advantages of non-recourse financing are that:

- The default and financing risks are transferred to the lenders, and as far as the private sector has en equity stake in the project, to the private consortium
- It protects TransLink's taxpayers from having to meet debt service obligations if toll revenues are insufficient
- It is consistent with the tolling principle of user pay whereby tolls are used to service the debt
- There is no impact to TransLink's credit rating
- Stable and pre-determined toll rates would be established in advance by TransLink for the length of the contract

Projected cash flows (see Figure 5) provide adequate debt service coverage, and should lead to an attractive interest rate for non-recourse debt. Therefore, the recommendation is that project financing be on a non-recourse basis.

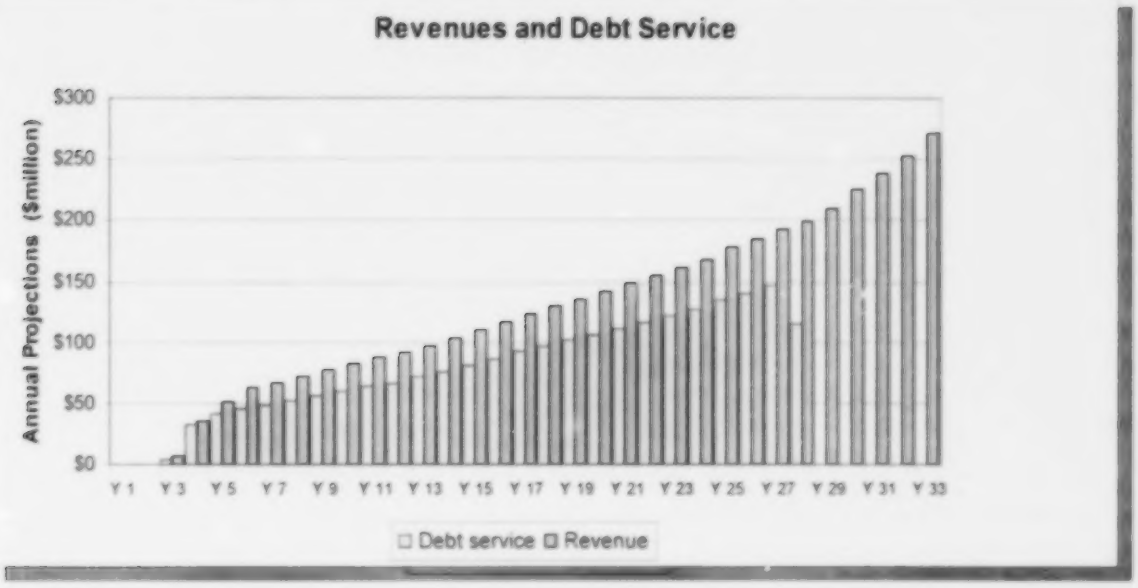

Figure 5: Projected Revenues and Debt Service

The initial operating years pose the greatest challenge in terms of meeting the debt service obligations, but there are a number of financing strategies that have been successfully applied on similar projects, that would be implemented.

Revenue and Demand Risk

The resolution as to whom will provide financing is a question of which party should be assigned the revenue risk? Essentially, revenue risk means, "who will benefit if revenue exceeds projections and who will suffer if revenue falls short of projections?"

Revenue projections for the FRC have inherent uncertainties, for example:

- Economic growth of the region may differ from projections
- Travel patterns and choice of travel modes may change
- Population and employment growth may not match projections
- Land use may not follow plans
- Toll collection targets may not be met
- The province may or may not proceed with projects in the vicinity of the FRC project

The project team is actively pursuing opportunities to reduce revenue risk. For example, the team is coordinating its activities with the Province as it plans road improvements in the Region.

The team is also seeking the Province's assurance that enforcement of tolls be tied to the license renewal process. This is the approach that was used on Hwy 407. The team will be working to develop inter-jurisdictional agreements addressing the non-payment of tolls by out-of-province vehicles and as mentioned, it is developing defensible, detailed traffic and revenue forecasts.

Revenue risk can be allocated to:

- Users (e.g., Canadian airport authorities)
- Special Purpose Entity (TransLink Subsidiary)
- Private sector consortia (e.g., Confederation Bridge)
- Taxpayers (e.g., initial development of Highway 407)

If the revenue risk were allocated to users:

- TransLink could create a not for profit authority, which would be established only to develop and operate the FRC and would receive the project revenues
- Tolls would be adjusted as required to recover capital investment and operating and maintenance costs
- Debt would be on the books of the Authority

If the revenue risk were allocated to a Special Purpose Entity:

- TransLink could create a new subsidiary, which would be established only to develop and operate the FRC and would receive the project revenues
- Tolls could be lowered if revenues exceeded the amount required to recover capital investment, operating and maintenance costs, or directed towards project related road network improvements
- Debt would be on the books of the Special Purpose Entity

If the revenue risk were allocated to a private sector consortium (referred to as "full concession"):

- Private sector consortium receives the project revenues
- TransLink protects users by establishing the initial tolls and rules for rate increases
- Debt would be on the books of the private sector consortium

If the revenue risk were allocated to taxpayers (traditional):

- TransLink would receive the project revenues.
- TransLink would make pre-determined payments to private sector consortium for building and operating the FRC, using toll revenues to fund this obligation
- TransLink would fund any shortfall in toll revenue from taxes or other fees
- TransLink would use any excess in toll revenue to fund other initiatives

- TransLink would carry the debt on its books – this would require an increase in TransLink's borrowing limits

The traffic and revenue projections show that project cash flows are robust enough for project stand-alone basis financing. There are therefore two dominant alternatives: transfer revenue risk to a private sector consortium or transfer the revenue risk to a Special Purpose Entity. The authority model has been dismissed due to:

- the risks associated with the governance of an authority - specifically, it would be important to ensure that the mandate of the authority is sufficiently focused to avoid additional uses of toll revenue in the fullness of time
- the loss of TransLink control over toll rates and the tolling framework
- no projects being considered in the immediate vicinity that have the effect of substantially reducing or competing for revenue on the FRC – the main advantage of an authority would be the joint management of competing projects
- limited flexibility to refinance to the advantage of TransLink, and
- the confusion created with another authority established for managing and operating roads and bridges

The project team is recommending that a Special Purpose Entity be created to finance the FRC and take on the revenue risk. The risk would in turn be transferred to the lenders at no recourse to TransLink. This model provides the greatest ability for TransLink to realize the potential for revenues in excess of costs and provides the greatest flexibility to react to traffic volumes. It also allows the Special Purpose Entity to refinance the project after the FRC is built and the construction risk is eliminated. This would result in lower annual debt service costs. With a Special Purpose Entity, TransLink has greater ability to implement public policy through its subsidiary (within acceptable boundaries to the lenders), provides greater ability to alter toll protocol and framework, and also allows any surplus revenues to be directed towards project related road network improvements that would otherwise be the responsibility of the municipality or shared with TransLink through Major Road Network minor or major capital program. This commitment by TransLink to redirect surplus revenues to improve the road network in the municipalities would increase TransLink's ability to negotiate agreements with each of the directly affected municipalities.

Although allocating revenue risk to a private sector consortium is not the recommendation, some financial support from TransLink may have been required depending largely on how comfortable private sector consortia are with the traffic and revenue forecast and to what extent they would have discounted the numbers. TransLink support could take many forms (e.g., equity investment, subordinated debt, grants/subsidies, traffic guarantees, revenue guarantees). TransLink support would be tied to upside revenue sharing.

Summary of Business Model

- The current traffic numbers show that the FRC is a financially viable project with robust debt service coverage levels
- The initial operating years pose the greatest challenge in terms of meeting debt service obligations, but there are a number of financing strategies that will mitigate this problem
- Based on "stressed" traffic numbers and qualitative factors, FRC's projected financial performance is analogous to Highway 407 in Ontario, and exhibits robust debt service coverage levels and should achieve an "A" category credit rating
- While the market would be indifferent to the issuer used to fund the cost of construction, the use of a Special Purpose Entity owned and sponsored by TransLink, offers the most attractive risk profile

After careful consideration, it is further recommended that TransLink differentiate the procurement of tolling services from the other project/program related needs and allow the Special Purpose Entity to receive the toll revenues directly.

A separate tolling equipment and toll operator would provide a single source of contact and seamless service for customers when and if new toll services are added elsewhere.

It is further recommended that the tolling procurement be deferred to allow some burgeoning technologies to mature and prove themselves in the marketplace.

The tolling service provider would explicitly be granted the opportunity to offer seamless service if and when other toll roads or other TransLink services come on stream. A "banded bid" will be requested at the time of proposal, and the price for future tolling services will be established in advance under a competitive process. The term of the agreement will match the time span of the technology, which is most likely ten years.

Overview of Selection Process

As a precursor to the selection process, a Registration of Interest (ROI) was issued in April 2003 regarding the FRC. A two-phase selection process will be used to identify a preferred proponent to enter into an agreement for the FRC Project.

Registration of Interest

The purpose of the ROI was to inform interested parties of this opportunity and allow them to express their interest in participating in the implementation of the project.

Additionally, the ROI solicited input from interested parties on a variety of issues, which has assisted TransLink in refining the transaction process and the scope and structure of the transaction. Consultation with all parties that responded to the ROI followed, which provided further valuable input to TransLink in structuring these aspects of the transaction.

Request for Qualifications

The first phase of the selection process, the RFQ phase, will short list interested parties passed on established evaluation criteria. This short list of proponents will proceed to the Request for Proposal phase of the selection process. The target is to short list three proponents.

A response to the ROI is not a prerequisite for participation in the RFQ phase of the selection process. The RFQ evaluation process affords the same treatment to all proponents, whether they responded to the ROI or not.

The RFQ serves to market the opportunity to as wide an audience as possible, and develop, through a fair and competitive process, a shortlist of proponents to proceed to the RFP phase based on their technical and financial capabilities to assume the roles and responsibilities as described in the RFQ document.

The following information will be included in the RFQ:

- **The Opportunity,** including an introduction to the FRC project and the transaction; background and description of the FRC, a description of the policy context, the objectives of the FRC, the roles of major stakeholders in the FRC, and the purpose of the RFQ.
- **The Transaction,** including the business framework and delivery model of the project (such as structure and term), services to be provided by the proponent, functions to be retained by various stakeholders, and the relationship between the proponent and various stakeholders.
- **Selection Process,** including an overview of the selection process, the ROI phase, the RFQ phase (such as schedule and various administrative processes), and the RFP Phase.
- **Submission Requirements,** including required information (such as mandatory forms and demonstration of experience), submission format, and submission procedures.
- **Evaluation of Submissions,** including the evaluation process and the evaluation criteria. The disclosure of evaluation criteria assures proponents that they have equal opportunity to demonstrate their suitability as the project developer and hence they are encouraged to compete. Providing disclosure to proponents would improve the quality of their submissions because they can better assess the risks and requirements related to the roles and responsibilities of the project developer.
- **Other Matters,** including terms and conditions such as conflict of interest, etc.

The RFQ evaluation of complete submissions will consist of two steps:

- A pass–fail step, in which proponents will be assessed as to whether they have met all of the mandatory requirements of the RFQ, thereby becoming qualified proponents, and
- A relative ranking step, in which the most appropriate qualified proponents to proceed to the RFP phase are identified.

Three evaluation teams (Completeness, Technical, and Financial) have been established to develop evaluation criteria, evaluate the extent to which proponents have demonstrated their experience and to prepare documentation to support their work. A question and answer team has also been established to review incoming questions from the proponents with respect to the RFQ, determine whether questions warrant a response and to provide answers to those questions. A Due Diligence Team will review the evaluation process and the evaluation criteria, review the evaluation results to ensure that the evaluation process and evaluation criteria have been followed and review documentation developed for the RFQ phase.

In support of the transaction process, a Fairness Monitor has been engaged to ensure that the project and evaluation team demonstrate fairness in conducting their pre-established tasks. The Fairness Monitor will ensure that the transaction process is completed fairly and transparently.

A Transaction Process Paper is available to the Board upon request that provides detailed directions and guidelines for the conduct of the RFQ phase. It also documents the various procedures and principles that will be employed.

CONCLUSIONS

The business model recommended for the Fraser River Crossing project involves establishing a Special Purpose Entity responsible for contracting with a private company for the design, construction, operations, and maintenance of the project. The Special Purpose Entity, a new subsidiary of TransLink, would also arrange for the financing for the project with no recourse to TransLink. This model balances the business opportunity for the private sector, and the toll cost to the users is acceptable and appropriate.

Directing the project team to issue a Request for Qualifications will provide the ability to assess the private sector's interest in accepting the risks and rewards in developing the FRC under the prescribed business model.

To: GVTA Board of Directors

From: Pat Jacobsen, CEO

Date: October 30, 2003

Subject: **Community Shuttle Service Delivery Strategy**

Staff Recommendation:

That the GVTA Board authorize staff to negotiate an agreement with Coast Mountain Bus Company Ltd. (CMBC) for the provision (through individual contracts for each service area) of new Community Shuttle Services to be implemented during the period January 1, 2004 to December 31, 2006 as set out in this report, provided CMBC agrees to provide such services in a manner that meets or exceeds financial and service parameters set by TransLink.

PURPOSE

The purpose of this report is to review the current Community Shuttle service delivery strategy established by the Board in April 2002.

BACKGROUND

As part of the current Three Year Transportation and Funding Plan approved by the Board in 2002, a major Community Shuttle program was initiated to replace under-utilized conventional bus services with lower cost minibuses and to expand service frequency and coverage in low traffic areas to encourage ridership. By the end of 2004, about 8% (306,000 hours) of total bus service (currently 3,590,000 hours) will be in the form of Community Shuttle, up from less than 1% prior to 2002.

Looking ahead to 2005 and 2006, if the new Three Year Plan is approved, shuttle services will continue to expand across the region with an increasing number of minibuses used on low ridership routes at nights and on weekends. By 2007, about 13% of all bus services will be operated under the Community Shuttle program with over 29 contracts. It is expected that, beyond 2007, the market for Community Shuttle will begin to plateau, as Community Shuttle service will be implemented in all areas for which this service is appropriate.

In April 2002, the Board established a strategy for the implementation of Community Shuttle services. The White Rock/South Surrey Community Shuttle contract that commenced in September 2002 was awarded to CMBC without competition to enable CMBC to utilize the Community Shuttle provisions established through its 2001 collective bargaining process. The Langley Community Shuttle contract for service commencing in December 2002 was awarded through an RFP process and CMBC was excluded from submitting proposals for this contract. With these two services in place, all further Community Shuttle services were subject to competition to obtain best value. This strategy established an internal and external benchmark, and positioned CMBC to be responsive on future contracts.

Four new Community Shuttle service contracts have been entered into (excluding White Rock/South Surrey and Langley) since this strategy was established. Earlier this year, the Board requested a report on the Community Shuttle program results.

DISCUSSION

At present, three Community Shuttle services are operated by CMBC (White Rock/South Surrey, Northeast Sector and Burnaby Heights) while another three are operated by the private sector (Bowen Island, Langley and New Westminster).

In evaluating proposals for Community Shuttle services, 70% of the weighting of the evaluation is based on the ability to manage and operate the service, and 30% of the weighting is based on cost.

Costs (30% weighting)

Experience to date indicates that CMBC's proposal submissions were all within TransLink's budget target for these services. CMBC's experience and expertise, combined with the ability to leverage existing infrastructure, has resulted in its success in securing the majority of the hours of service to date.

The private sector has demonstrated that it can be as competitive as CMBC in terms of cost, but is most competitive on smaller contracts, which do not require significant infrastructure. Lower overheads and reduced wages and benefits have offered savings in the order of 20 to 30% over the CMBC price on smaller contracts. The cost advantage on the total of existing contracts is 2.3%, as outlined below.

Existing Community Shuttle Contracts

Fiscal 2004	CMBC	Private Contractors
Number of Contracts	3	3
Projected Operating Cost	$5,189,227	$1,786,502
Projected Service Hours	144,379	50,854
Operating Cost/Service Hour	$35.94	$35.13

The cost per hour for private contractors has been adjusted to include liability and property insurance costs as well as costs for servicing the electronic fare boxes by CMBC. Both costs do not include incremental costs incurred by TransLink for the Community Shuttle Program, such as bus stop installation and maintenance and marketing costs associated with service start-up.

The cost per hour for CMBC generally represents the incremental costs to provide the service. It does not include an allocation for costs such as depot and maintenance facilities and indirect support cost which are already included in its budget.

TransLink does not require either CMBC or the private sector to include a full provision of all overheads in their costs. Depending on available capacity, both CMBC and the private sector will vary the amount of overheads to recover from individual contracts.

Service Implementation (70% weighting)

Based on marketing surveys commissioned by TransLink, all contracted services have been well received by the communities and customers whom they serve, and the drivers for these services are considered professional, friendly and helpful. There has not been any major service delivery problem for these services, and the few complaints received were either start-up issues which have been resolved or capacity and scheduling issues that were addressed after service commencement.

What is becoming clear is that the limited capacity of minibuses to handle 'spikes' in volumes sometimes require a mixed solution where conventional buses may have to operate some trips while Community Shuttle buses operate others. Langley Community Shuttle continues to experience the occasional passenger overcrowding and pass-ups on one of its routes. Service on this route continues to be supplemented by a conventional bus service operated by CMBC in the p.m. due to peak ridership. In the Northeast Sector, school and peak volumes to and from West Coast Express have exceeded the capacity of some Community Shuttle buses. The overcrowding on select trips has frustrated customers, necessitating CMBC to develop a number of changes to increase the capacity of the system.

Significant and rapid expansion of Community Shuttle service has created continuing challenges around implementation lead times, vehicle capacity and service integration. These have been notable in the Northeast Sector where the lead-time for the start-up of service was extremely tight given the scale of the service – 10 new routes, 450 daily scheduled trips, 22 new minibuses and over 80 new drivers hired. CMBC demonstrated its ability to respond to service adjustments required to maintain integration with conventional bus services and other modes.

Alternative Strategy

As an alternative to the competitive process, staff has explored the concept of giving CMBC the first opportunity to operate new Community Shuttle services that are introduced over the next three years (commencing January 1, 2004).

If negotiations are successful, the contracts would be awarded on a three-year basis with option for a two-year extension to CMBC without undergoing the competitive process.

CMBC would provide budget and service plan proposals for scheduled implementation of Community Shuttles based on the approved Three Year Program Plan. This revised process would provide greater certainty for CMBC and its employees to focus on operational planning and provide greater lead-time for implementation of new services.

TransLink would monitor overall performance, ensuring that prices remain competitive with the private sector based on benchmark comparison to private operator contracts. TransLink would maintain the ability to contract for these services through competition when the contracts with CMBC expire.

The revised model would apply to all new Community Shuttle services introduced between January 1, 2004 and December 31, 2006, with the exception of West Vancouver, Bowen Island and existing contracts. Existing contracted services would not be affected during the term of their contracts (including any renewal terms).

The existing policy was based on the premise that competition will ensure the best value for service delivery and that independent contractors would enable TransLink the flexibility to implement services for specific markets. The lower costs realized by the smaller contractors through the open RFP system need to be weighed against the greater flexibility within Coast Mountain to provide a more effective use of the resources and a better integration of existing services.

The following table summarizes the advantages and disadvantages of the revised Community Shuttle Strategy:

Advantages	Disadvantages
1) Enables more effective planning and system-wide integration between main bus services and Community Shuttle routes in effect by 2007.	1) Loss of flexibility by TransLink to introduce new types of service for different markets which do not easily fit into the CMBC categories.
2) Enables TransLink to utilize CMBC operating expertise in designing new Community Shuttle services.	2) Very difficult to ascertain the 'real cost' of Community Shuttle services provided by CMBC as many of the indirect costs are shared with the Conventional bus system which is not subject to competition.
3) Increases operational effectiveness, flexibility and responsiveness to service adjustments due to greater ability to manage a larger pool of resources within CMBC.	3) Potentially a wider disruption to transit service in the event of a work stoppage.
4) Provides CMBC with better ability to capitalize on synergies particularly in the sharing of fixed and semi variable costs and a more effective use of the asset pool.	4) Loss of potential linkage with HandyDART systems and taxi operators for off peak services.
5) Provides CMBC the opportunity to develop a longer term hiring and training strategy resulting in a lower cost driver resource pool.	5) Higher operating costs for smaller contracts based on current CMBC cost per hour.
6) Simplifies the coordination with services such as customer information, trip planning, and lost property.	6) Absence of competition provides no external benchmarks against which to compare CMBC's cost proposals.

CONCLUSION

A review of the cost comparisons for 2004 indicates that CMBC and the private contractor costs are very close with CMBC being higher by $0.81 per revenue hour, or 2.3% on existing contracts. Based on the projected hours for the next three years (253,750 service hours), this represents a cost difference of $206,000 (assuming this cost differential carries forward to the projected hours).

Both CMBC and the private sector demonstrated that they can implement and operate the services in an effective manner. On the larger contracts, CMBC has demonstrated that its management experience, combined with the ability to lever off existing assets and processes, places it in a better position to adapt to unexpected events.

CMBC is seeking certainty for a reasonable period of time to utilize the Community Shuttle services to lever its assets and processes, and further reduce its operating costs through optimal deployment of staff and vehicles. A letter from Denis Clements, CEO, CMBC, is attached as Attachment A.

In the event that TransLink's negotiations with CMBC are successful, Community Shuttle services will continue to be operated under contract. TransLink will maintain the right to contract with other parties for these services if CMBC does not meet agreed cost and service parameters.

Considering these factors, on balance, it is recommended that the Board authorize staff to negotiate an agreement with CMBC for the provision of new Community Shuttle Services to be implemented during the period January 1, 2004 to December 31, 2006 through separate contracts that will meet or exceed TransLink's financial and service parameters.

Reviewed by Finance & Audit Committee, October 15, 2003

To: GVTA Board of Directors

From: Ian Jarvis, Vice President, Finance and Administration

Date: September 4, 2003

Subject: **Award of Bowen Island Community Shuttle Service Contract**

Staff Recommendation:

That the Board:

A. Approve the selection of Bowen Island Community Transit Ltd. as the preferred service provider for the Bowen Island Community Shuttle Service effective January 1, 2004

B. Direct staff to finalize the Operating Agreement with Bowen Island Community Transit Ltd. for the delivery of Community Shuttle Service in Bowen Island for the period January 1, 2004 to December 31, 2006.

PURPOSE

The purpose of this report is to seek the Board's approval for the selection of the preferred service provider for the Bowen Island Community Shuttle Service for the period January 1, 2004 to December 31, 2006.

BACKGROUND

Prior to May 1999 Bowen Island did not have any on-island transit service. The Board approved a trial service that began on May 30, 1999 and was subject to a review after 10 months of service. This trial service proved satisfactory and market research confirmed that the transit service had become well established on Bowen Island in a very short period of time. The service on Bowen Island was subsequently

extended and the current service agreement ends on December 31, 2003. In accordance with current policy, a request for proposal was issued.

Evaluation Methodology

To ensure the best value to TransLink, proposals submitted are evaluated on three criteria:

- organization profile,
- management plan, and
- costs.

Only those proposals that provided sufficient detail to allow a reasonable assessment of their ability to operate the transit service were evaluated on the third criterion, costs. The evaluation of the RFP responses was conducted using a two-envelope system. The envelope containing the costing information is only opened if a Proposer achieved a minimum standard in the first two criteria. Proposers who did not satisfy the minimum standard for the first two criteria would have the envelope containing their costing information returned unopened. The proposal that rated the highest based on all three evaluation criteria would be recommended as the preferred service provider.

Proposals are initially evaluated on their organization profile and management plan submissions. These are worth 20% and 50% of the total points respectively. The cost criteria is worth 30% of the total points. The maximum point accumulation for all three criteria together is 300 points.

The organization profile section evaluates the experience and expertise that a Proposer can provide and covers the transportation experience of the Proposer, contract references for transportation services currently provided, and financial references.

The management plan section evaluates the specific plan put forward by the Proposer for the operation of the transit service outlined in the RFP. This section considers the expertise of the management employees who will be managing the specified community transit service, their operational plan, employee management, community relations, customer service, vehicle maintenance, safety, cost control and fare collection.

The cost section evaluates controllable costs and flow-through costs with most weight given to controllable cost. Controllable costs include wage and benefits costs, general and administrative costs for which the service provider takes risks on cost escalation for the duration of the service. Flow-through costs include fuel, tire and maintenance costs, for which TransLink establishes the standards and reimburses the service provider for actual costs incurred. Flow-through costs are monitored closely and compared to system averages to ensure effective and efficient use of these resources.

DISCUSSION

i. Proposals Received

Only one proposal for the operation of the transit service was received. This came from the current Contractor, Bowen Island Community Transit Ltd.

ii. Results of Initial Evaluation

The proposal was evaluated in the normal manner and satisfied the minimum standard for the first two criteria.

iii. Proposal Costs

The proposal submitted included details of the costs associated with providing this service for the period January 1, 2004 to December 31, 2006. The proposal did not include the capital costs of the vehicles. A summary of the total operating costs and cost per scheduled revenue hour are shown in the table below:

	Bowen Island Community Transit Ltd.
Operating Costs	$552,437
Revenue Hours	15,374
Cost / Hour	$35.93
Total Points	249.5

iv. Overall Rating

The Bowen Island Community Transit Ltd. proposal was the only proposal submitted. It attained the minimum standard at the first stage and the cost was lower than the GVTA target budget amount. Additionally Bowen Island Community Transit Ltd. has operated the service satisfactorily for the last four years.

ALTERNATIVES

The Board may choose not to award this contract. This would require the service to be re-tendered.

CONCLUSION

Bowen Island Community Transit Ltd. has been the service provider for the Bowen Island Community Shuttle Service since its inception on May 30, 1999. During that time the service has met its objectives for ridership and cost, and has garnered high customer satisfaction ratings.

It is recommended that the Board approve the selection of Bowen Island Community Transit Ltd. as the preferred service provider and direct staff to finalize the Operating Agreement with Bowen Island Community Transit Ltd. for the delivery of Community Shuttle Service in Bowen Island for the period January 1, 2004 to December 31, 2006.

To: GVTA Board of Directors

From: Sheri Plewes, Vice President, Capital Management and Engineering
Glen Leicester, Vice President, Planning

Date: October 17, 2003

Subject: **Intelligent Transportation Systems (ITS)**
#98 B-Line Bus Rapid Transit Evaluation Study

Staff Recommendation:

That the Board:

A. Receive the report entitled "#98 B-Line Bus Rapid Transit Evaluation Study" for information

B. Direct staff to report back on the potential upgrading of existing B-Line routes using ITS technology and transit priority measures.

PURPOSE

This Board report provides a summary of the #98 B-Line Bus Rapid Transit Evaluation Study (Attachment A) completed by the ITS Department of TransLink and its consultant team led by IBI Group. This evaluation indicates that the application of Intelligent Transportation Systems technology has contributed to making the #98 B-Line one of the most successful Bus Rapid Transit systems in North America and a leading model for similar services.

BACKGROUND

The #98 B-Line connecting Richmond City Centre, the Airport and downtown Vancouver is one of the most advanced bus systems in North America. It is designed to provide a bus-based rapid transit service using ITS technology and portions of dedicated right-of-way including the first median busway in Canada. A dedicated fleet of 28 low floor articulated buses in the unique B-Line livery operate the 16 km route providing frequent service throughout the day, seven days per week. The route which, commenced full service in August 2001, supports the Liveable Region Strategic Plan's goal of linking

major centres with high quality transit service. It is also intended to grow ridership in the corridor leading to implementation of a full rail based rapid transit service in the future.

In this way the system can be considered as a bridge between conventional bus service and rapid transit.

Vancouver has been a pioneer in the development of on-street rapid bus systems in North America. There has been considerable interest on the part of the North American transit industry in the #98 B-Line project and this report will document much of the findings to date.

DISCUSSION

Intelligent Transportation Systems (ITS) refers to the application of computer, communications, traffic control and information processing technologies to improve the operation, safety, and air quality of the multi-modal transportation network. Sustaining liveable neighbourhoods and communities requires creative solutions instead of simply adding more capacity, building more lanes of roadway or constructing a new bridge. The users and providers of the transportation networks in many major cities are looking to initiatives involving Intelligent Transportation Systems (ITS) to offer another alternative to transportation solutions to help make travel safer, smoother, and faster. Some examples of ITS applications include automatic vehicle location, traffic signal priority for transit vehicles, traveller information, and cross border tracking of goods movement.

This evaluation report examines the "before-and-after" performance of the #98 B-Line service with specific focus on the ITS components of the system. The study also describes the design, operation and maintenance of the service, documents the benefits and costs, and provides Bus Rapid Transit guidelines for future deployments.

The funding of the study was provided with assistance from several partners including the federal government as follows:

- Transport Canada - $75,000 capital
- TransLink - $50,000 capital plus $25,000 in-kind resources
- Consultant's in-kind resources (reduced fees) - $25,000

The study documented the benefits including:

Travel Time: The round trip travel time has been reduced from 100 to 84 minutes primarily due to fewer stops, bus lanes, and queue jump lanes resulting in a 20% decrease in scheduled travel. The service is now operating at a very efficient level and accruing this benefit. To provide the same level of service similar to #98 B-Line without the ITS technology and the bus priority measures, it is estimated that the fleet would require 5 additional vehicles.

Trip Reliability: The variability in travel times has decreased significantly due to the Transit Signal Priority TSP) and Automated Vehicle Location (AVL) systems. The TSP system provides for more efficient scheduling resulting in a reduction in fleet requirement of about 1 vehicle. Optimizing the schedule without compromising service can be achieved with TSP but it is an iterative procedure, which is ongoing.

Customer Satisfaction: The customer satisfaction ratings of the #98 B-Line exceeded the regional average on most attributes. The customers expressed strong satisfaction with the frequency and hours of service as well as the trip reliability.

The study confirms that the attributes of the #98 B-Line service can:

- Manage the transit fleet more efficiently to meet the same level of service through infrastructure improvements (savings of 5 vehicles) and via the AVL/TSP components (savings of 1 vehicle). The estimated resultant capital and operating savings are $3.85 million over 17 years and $1.8 million in annual operating costs.

- Induce a significant quantified 23% mode shift from auto to transit on the corridor resulting in a net increase in ridership of 1.2 million passengers per year (with net revenues of +$1.2 million) and a decrease in greenhouse gas emissions. These benefits have been achieved.

- Achieve an annual benefit/cost ratio of +1.3 with a net benefit of $2.89 million due to fewer vehicles and vehicle-hours for the service and higher transit revenues.

The benefits of the ITS components of the #98 B-Line are part of a broad package of customer focused attributes that, combined, have resulted in a net increase in ridership of 4,000 passengers per day representing 29% growth from 2001 to 2002 on this corridor which have contributed to the success of this branded service. The current ridership is estimated to be higher in 2003.

Studies are being undertaken on both the #99 B-Line (Broadway) and the #97 B-Line (Port Moody-Coquitlam) to identify possible upgrading of these lines including ITS and transit priority.

Expanded B-Line services with ITS components are also included as part of the overall transportation strategy to support transit in Greater Vancouver and are included as part of the proposed 10 Year Outlook. Bus Rapid Transit services bridge the evolution from conventional bus to future deployments involving rail based rapid transit.

CONCLUSION

The #98 B-Line BRT Evaluation Study presents the quantified benefits of the ITS components of the service and provides guidelines for future candidate corridors. The positive results show that the #98 B-Line BRT is one of the most successful BRT service in North America and serves as a prototype system, not only for Greater Vancouver, but in Canada and internationally as well.

To: GVTA Board of Directors

From: Sheri Plewes, Vice-President, Capital Management & Engineering

Date: October 15, 2003

Subject: **TransLink Environmental Management System**

Staff Recommendation:

That the Board approve the Environmental Policy and Environmental Management System (EMS) (Attachment A).

PURPOSE

To request approval from the Board for the Environmental Policy and Environmental Management System (EMS).

BACKGROUND

Project Overview

In August 2002, Jacques Whitford Environment Limited was retained to assist in the development and implementation of TransLink's environmental policy and an environmental management system (EMS). The system, which conforms to the ISO 14001 standard, provides a structured framework to guide informed decision making and effective management of environmental risks.

An environmental policy and EMS is required to:

- Assist our directors and managers in making decisions regarding the planning, managing or implementation of programs that have an impact on the environment;
- Provide direction to our operating subsidiaries and service contractors on the expectations and requirements regarding their management of environmental issues;
- Improve TransLink's ability to provide a due diligence defence if an environmental incident were to occur; and

- Provide a framework for TransLink to meet its regulatory requirements, environmental commitments and corporate mandate.

Rationale

An environmental policy and an EMS are necessary for an organization such as TransLink that has operations and assets with the potential to cause spills of toxic substances, to impact fisheries habitats, to impact air quality, and to cause other environmental damage. The size and diversity of TransLink's operations require a properly designed, documented and maintained EMS to minimize the risks of environmental incidents and to provide evidence to regulators, courts and the public of our commitment to protecting the environment.

Environmental legislation and application of legislation in courts is very strict in the requirement of organizations and their directors and officers to take a proactive approach to the management of environmental risks and compliance with legislation. If an environmental offence occurs, directors, officers and even employees of TransLink can be held personally liable for an environmental offence if due diligence cannot be established. A due diligence defence requires a defendant to convince the court that all reasonable steps were taken to avoid the particular incident.

Canadian court judgements have demonstrated the importance of an EMS in a due diligence defence. For example, in *R. vs. Bata Industries Ltd.*, where chemical wastes stored improperly were leaking, the judge notes that one issue relevant to the defence of due diligence is whether the board of directors established a system to prevent pollution. Other factors include prompt consideration of environmental concerns, review of environmental compliance reports, awareness of industry standards, and personal reaction to any failures in the system. The company was unable to establish that it had been duly diligent as the system in place did not adequately address these factors. The company and two directors were convicted and fined $120,000 and $12,000 each, respectively.

It is clear that due diligence must be applied to TransLink's direct activities, such as clean up of contaminated soil on TransLink property or ensuring that new buses meet emission requirements. However, judgements in Canadian courts have also held companies liable for their contractors when the latter were not adequately checked or supervised.

In the case of *R. vs. Geo-Analysis Inc.*, Geo-Analysis was held liable for the actions of its subcontractor. The judge noted that even though Geo-Analysis was not expected to directly supervise the work, they were required to influence the conduct of the subcontractor through contractual requirements to ensure that the subcontractor had procedures in place for monitoring and follow-up. This case indicates that TransLink can be held responsible for the actions of its subsidiaries if it does not use powers within its control, such as contractual rights, executive or financial control, to influence the conduct of its subsidiaries and service contractors. Again, an EMS setting out environmental expectations for subsidiaries and service contractors, as well as procedures for confirming

that they have environmental programs in place, is an important component of a due diligence defence.

Benefits

An EMS will allow TransLink and its subsidiaries to improve overall environmental performance and reduce the risk of an environmental incident by:

- Setting objectives and targets relating to activities having an environmental impact;
- Implementing a program to achieve environmental objectives;
- Maintaining and managing complete records on environmental affairs,
- Documenting procedures for responding appropriately to emergency situations;
- Monitoring and measuring the system's effectiveness; and
- Correcting any deficiencies in the system.

Ultimately, the benefits for TransLink include the ability to:

- Provide a due diligence defence;
- Meet its commitments and mandate;
- Meet regulatory compliance requirements; and
- Improve stakeholder credibility.

DISCUSSION

Environmental Management System – Definition

An EMS is a structured framework to guide informed decision making for the effective management of environmental risks. TransLink's EMS is based on ISO 14001, an internationally recognized standard for environmental management. The primary elements of an EMS are as follows:

1. ***Policy***
   This is the cornerstone and sets the overall direction for managing environmental issues.

2. ***Planning***
   This outlines the process for identifying and assessing risks, as well as setting objectives, targets and programs to manage the risks.

3. ***Implementation & Operations***
   This provides the infrastructure for the system and includes items such as:
   - Responsibilities
   - Communications
   - Training
   - Document control

- Operational controls
- Emergency preparedness and response

4. ***Checking & Corrective Action***
   This outlines the process for checking, correcting and providing evidence of an effective EMS.

5. ***Management Review***
   This is a review of the system by senior management to ensure the continued adequacy and appropriateness of the EMS.

Development Process

Over the past year, the Extended Environmental Committee (EEC), with representatives from operating subsidiaries and TransLink business units, has worked with Jacques Whitford Environment Limited to develop an environmental policy and management system for TransLink. TransLink's Environmental Policy and draft EMS are attached as Appendix A.

The Environmental Policy and EMS seek to balance the desire of TransLink to achieve more than the minimum of meeting regulatory requirements with the financial impacts of environmental initiatives. The EMS was built on existing business processes wherever practicable and provides direction to the business units, subsidiaries and service contractors without being prescriptive in how to achieve the required outcomes. TransLink's Environmental Policy and EMS will also assist the operating subsidiaries in developing or implementing their own systems.

Status

The Environmental Policy and draft EMS has been reviewed and endorsed by TransLink's Executive. It has also been reviewed by Lawson Lundell, our environmental legal counsel. In their opinion, the EMS will provide TransLink with a sound due diligence defence, provided that the system is implemented and followed.

CONCLUSION

An EMS is required to allow TransLink to:

- Provide a due diligence defence;
- Meet its commitments and mandate;
- Meet regulatory compliance requirements; and
- Maintain credibility with stakeholders.

Staff recommend that the Board approve the attached Environmental Policy and draft EMS.

Environmental Management System Manual

TRANSLINK

DRAFT

August 9, 2003

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5.1 Management Review

Overview:

The purpose of TransLink's environmental management system (EMS) is to provide the mechanism for proactively managing the environmental issues related to its operations and services. By doing so, TransLink intends to meet its environmental commitments and continually strive to improve its environmental performance.

The EMS is a results based system that provides direction to Translink and its subsidiaries and service contractors. Subsidiaries and service contractors have the freedom to meet the requirements of this EMS as appropriate to the nature and scale of their operations. This may or may not involve the development of a formal EMS. The structure of the EMS, including the interation between TransLink and its subsidiaries and service contractors, is outlined on the *Flow Diagram*.

As appropriate to the nature of their operations and services, each subsidiary and service contractor is expected to meet the requirements outlined in this EMS.

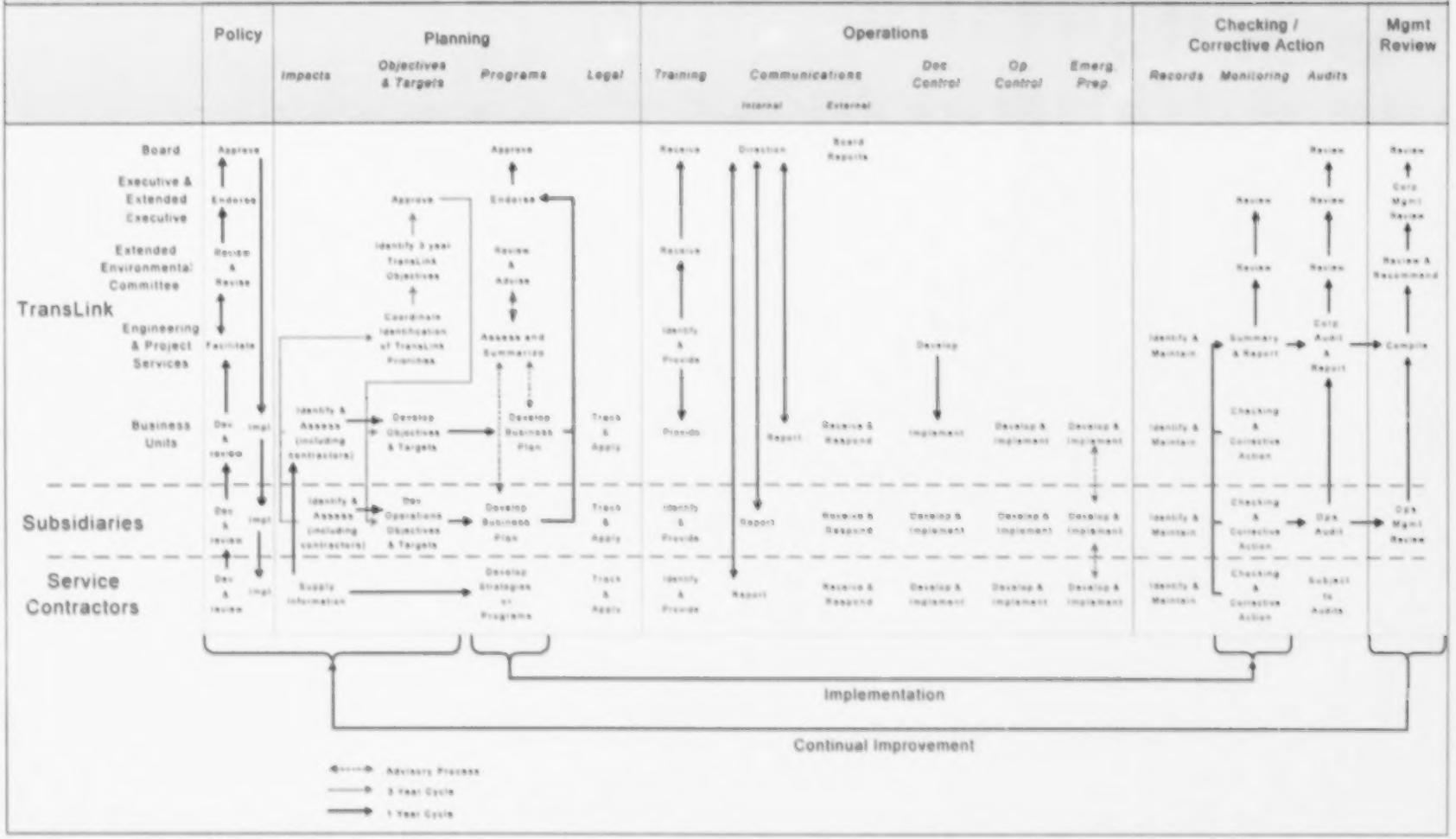
Project offices are not included in the scope of this EMS as they have their own processes, procedures and resources for managing the environmental issues related to their activities.

Glossary:

Auditing:	A systematic, documented and periodic process for verifying and reporting on the conformance of TransLink's environmental management system (see "monitoring").
Business Unit:	Departments or functional areas within TransLink.
Contractor	Any company that provides goods or services
Document:	Any written information, in hard copy or electronic format, which describes a process for how things are required to be done. A document can be revised and updated (see "record").
Environment:	The surroundings in which TransLink and its subsidiaries and services contractors operate. This includes the interrelation of air, water, land, natural resources, infrastructure, wildlife and humans.
Environmental Impact:	Any change to the environment, whether adverse or beneficial that results, wholly or partially, from the activities of TransLink and its subsidiaries and service contractors.
GVTA:	The Greater Vancouver Transit Authority as defined in the GVTA act (see "organization" and "TransLink")
Monitoring:	The ongoing tracking of key operational or organizational activities and measures related to environmental issues (see "auditing").

Objective:	An overall environmental goal, often long term and measurable where practicable, set to help achieve the environmental policy (see "target").
Organization:	The GVTA including subsidiaries and service contractors (see "TransLink").
Project Office:	An independent office, set up by TransLink to plan and implement major capital projects.
Record:	Any written information, in hard copy or electronic format, which provides evidence of activities performed or of results achieved. Records can not be altered (see "document").
Service Contractor:	Any company that TransLink has a contract with to deliver transit services.
Subsidiary:	A company wholly owned by TransLink which operates assets on behalf of TranLink.
Target:	A specific performance requirement set to help achieve an environmental objective. Targets should be specific, measurable, achievable, reportable and time based (see "objective").
TransLink:	The GVTA not including subsidiaries or service contractors (see "organization").

TransLink EMS Flow Diagram (*draft*)



Purpose & Scope:

This procedure outlines the process by which the organization reviews, revises, approves and communicates its environmental policy.

The environmental policy is the cornerstone of TransLink's EMS and applies to all employees, subsidiaries and service contractors.

The policy is developed consistent with TransLink's mandate and ISO14001.

Procedure:

Policy Review, Revision and Approval:

The review and revision of the environmental policy is coordinated by the Manager, Engineering & Project Services who will solicit input regarding the continued applicability of the environmental policy from each business unit, subsidiary and service contractor.

Suggested revisions to the environmental policy will be brought to the Extended Environmental Committee by the Manager, Engineering & Project Services for review prior to being presented to the Executive for endorsement and the Board for approval.

The policy review process will be conducted as part of the annual management review process.

Communication:

Internal Communication
Within the organization, the environmental policy will be communicated as follows:

- the current version will be posted to the Online Work Library (OWL);
- revisions will be communicated to TransLink staff through an email from the CEO;
- subsidiaries will be notified of revisions to the policy by the Manager, Engineering & Project Services; and
- service contractors will be notified of revisions to the policy by the Manager, Service Contracts.

Each subsidiary and service contractor will ensure staff awareness, understanding and implementation of TransLink's environmental policy.

External
The environmental policy will be posted on TransLink's web site and will made available to external parties upon request.

Responsibilities:

Board is responsible for:

- setting overall environmental direction through approval of policy.

Chief Executive Officer is responsible for:

- communicating, through email, revisions to the environmental policy.

Extended Environmental Committee is responsible for:

- reviewing and endorsing revisions to the environmental policy.

Manager, Engineering and Project Services is responsible for:

- coordinating the review, revision, endorsement and approval of the environmental policy; and
- notifying subsidiaries of revisions to the environmental policy.

Manager, Service Contracts is responsible for:

- notifying service contractors of the environmental policy and any subsequent revisions.

Executive, Managers and **Staff** are responsible for:

- ensuring adherence to the environmental policy within their respective roles as appropriate.

Subsidiaries and **Service Contractors** are responsible for:

- ensuring adherence to the environmental policy within their respective organizations as appropriate.

Records:

Records will be kept of:

- an approved copy of the environmental policy; and
- Board minutes related to the approval of the environmental policy.

Tools:

N/A

Cross References:

1. ISO 14001 section 4.2 *Environmental Policy*
2. TransLink EMS Procedure 3.3 - *Communication*
3. TransLink EMS Procedure 5.1 - *Management Review*

Environmental Policy - *draft*

Revision Date: March 27, 2003

TRANSLINK

The purpose of the GVTA (TransLink) is to provide a regional transportation system that:

a) moves people and goods, and
b) supports:
    i. the regional growth strategy; and
    ii. the air quality objectives and economic development of the transportation service region.

In carrying out its purpose, TransLink is committed to continued environmental responsibility in the planning, provision and maintenance of regional transportation services. We are uniquely positioned to help reduce the impacts to the environment that occur with the transportation of people and goods.

To meet this commitment, TransLink will:

- work cooperatively with municipalities, partners and other stakeholders;
- continue to seek financially and technologically viable, long term solutions that reduce the environmental impacts of operations and services we provide and initiatives we participate in;
- include the environment as a factor in business decisions;
- develop and continually improve an environmental management system; and
- meet or exceed applicable legislation, regulations and adopt accepted environmental practices.

This policy is applicable to all employees, subsidiaries and service contractors.

Purpose and Scope:

This procedure outlines the process used by the organization to identify and assess the environmental impacts of its activities, including those of its subsidiaries and service contractors.

It also describes the process for setting and tracking environmental objectives, targets and programs required to manage those environmental impacts determined to be significant.

Procedure:

For those business units, subsidiaries and service contractors requiring assistance, TransLink will provide expertise as needed to identify and assess impacts.

Impact Identification & Ranking:

It is the responsibility of TransLink's business units, subsidiaries and service contractors to identify, assess and rank the potential and actual environmental impacts related to their activities and services. Although each business unit, subsidiary and service contractor has the flexibility to use a methodology that is appropriate to the nature of its operations, the methodology must be consistent with ISO:1996 14001. One alternative methodology available is the *Environmental Impact Assessment Tool*.

The result will be a list of significant impacts which will be documented and reviewed by each group on an annual basis, or whenever there is a major change to the business unit's, subsidiary's or service contractor's activities or services.

For the environmental impacts determined to be significant to their operations, each business unit, subsidiary and service contractor must document these impacts and either:

- develop strategies and/or programs to manage and minimize the environmental impacts; or
- communicate the impact to the appropriate business unit, subsidiary or service contractor who has responsibility for the impact.

Objective and Target Setting:

Corporate Objectives:

TransLink's corporate environmental objectives will be set as part of the 3 year business planning cycle.

Prior to the start of the 3 year planning cycle, the Manager, Engineering and Project Services will request from the business units, subsidiaries and service contractors the following:

- results of their last annual review of environmental impacts;
- current objectives and targets;
- current environmental management programs.

The Extended Environmental Committee (EEC) will identify corporate priorities and develop associated environmental objectives for TransLink. This process will be coordinated by the Manager, Engineering and Project Services. When developing TransLink's priorities and objectives, the EEC will consider the following:

- information provided by the business units, subsidiaries and service contractors;
- legal obligations and requirements;
- regional growth strategy;
- views of external parties; and
- financial and technological constraints.

Upon development, the objectives will be incorporated into the 3 year business plan for approval by the Executive and the Board.

Operational Objectives and Targets:

Annually, as part of business planning, each business unit, subsidiary and service contractor will set environmental objectives and targets as appropriate to their activities and services and include them in their annual business plans for approval through the budget approval process. In setting the objectives and targets, as a minimum, the following will be considered:

- assessed significant impacts;
- 3 year corporate objectives;
- legal obligations and requirements;
- views of external parties; and
- financial and operational constraints.

Program Development:

At the beginning of the annual business planning process, each business unit, subsidiary and service contractor will develop an environmental program(s) to meet its environmental objectives and targets. These will be included in the annual business plans for endorsement and approval through the budget approval process.

Specific environmental objectives, targets and prioritized budget requests will be submitted to the Manager, Engineering and Project Services who will coordinate a review by the Extended Environmental Committee. The review, prior to budget approval, will assess the budget requests and recommend funding sources to ensure the programs, in aggregate, allow TransLink's corporate environmental objectives to be met. The review will also provide an opportunity for information and resourcing sharing across subsidiaries and business units.

Objective, Target and Program Tracking:

Semiannually, the Manager, Engineering and Project Services will request from the business units and subsidiaries progress reports on their respective environmental objectives, targets and programs. The Manager, Service Contracts will request the same information from the service contractors.

These progress reports will be reviewed, communicated and actions taken as required, as part of the quarterly business review process conducted by the:

- Manager, Financial Planning;
- Manager, Service Contracts; and
- Manager, Engineering and Project Services.

Responsibilities:

Executive and ***Board*** are responsible for the:

- review and approval of the corporate priorities and objectives; and
- approval of budget requests.

Extended Environmental Committee is responsible for:

- identifying the corporate priorities;
- developing the corporate environmental objectives; and
- reviewing funding requirements.

Manager, Engineering and Project Services is responsible for:

- coordinating the development of the corporate environmental objectives;
- coordinating the review of the funding requirements; and
- coordinating and participating in the semiannual progress review.

Manager, Service Contracts is responsible for:

- liaising with service contractors; and
- participating in the semiannual progress review.

Manager, Financial Planning is responsible for:

- participating in the semiannual progress review.

Business Units, ***Subsidiaries*** and ***Service Contractors*** are responsible for:

- identifying and assessing the environmental impacts of their activities and services;
- keeping a current list of significant impacts;
- developing objectives, targets and programs to manage the significant impacts of their operations;
- providing semiannual progress reports to the Manager, Engineering and Project Services.

Records:

- Executive and Board meeting minutes related to the approval of corporate environmental priorities and objectives and approval of budget requests.
- Extended Environmental Committee meeting minutes related to the identification of corporate priorities and development of corporate objectives.
- Three year plans and annual business plans.
- Semiannual progress reports.
- Significant impact list (kept by each business unit, subsidiary and service contractor).

Tools:

Environmental Impact Assessment Tool

Cross References:

1. ISO 14001 section 4.3.1 Environmental aspects
2. ISO 14001 section 4.3.3 Objectives and targets
3. ISO 14001 section 4.3.4 Environmental management programs
4. TransLink EMS Procedure 2.3 - *Legal & Other Requirements*
5. TransLink EMS Procedure 3.3 - *Communication*
6. TransLink EMS Procedure 5.1 - *Management Review*

Purpose and Scope:

This procedure outlines the process used by the organization to identify, communicate and provide access to the legal and other requirements that are applicable to the environmental impacts of its activities and services.

Other requirements may include industry standards, codes of practice or other voluntary commitments made by TransLink or its subsidiaries and service contractors.

Procedure:

It is the responsibility of TransLink's business units, subsidiaries and service contractors to identify, communicate and have access to the legal and other requirements that are applicable to the environmental impacts of their respective activities and services. These requirements must be reviewed on an annual basis or as appropriate to the nature of their operations.

It is also the responsibility of the business units, subsidiaries and service contractors to ensure the regulatory requirements are interpreted and incorporated into their operations as to ensure compliance.

For those business units, subsidiaries and service contractors requiring assistance, TransLink's legal department will provide expertise as needed to assist in the identification, interpretation and application of the legal and other requirements that are applicable to their environmental impacts.

Responsibilities:

Business Units, ***Subsidiaries*** and ***Service Contractors*** are responsible for:

- identifying, interpreting and incorporating the legal and other requirements; and
- reviewing requirements on an annual basis or as appropriate.

Records:

- Regulatory and other requirements list (kept by each business unit, subsidiary and service contractor).

Tools:

N/A

Cross References:

1. ISO 14001 section 4.3.2 *Legal and other requirements*
2. TransLink EMS Procedure 3.3 - *Communication*

Purpose and Scope:

This tool was developed to provide guidance to TransLink's business units, subsidiaries and service contractors on the identification and assessment of the environmental impacts related to their activities and services. The use of this tool is voluntary, but whatever methodology utilized to assess environmental impacts must be appropriate to the nature of the operations and consistent with ISO 14001.

The result will be a list of significant impacts which will be reviewed by each group on an annual basis, or whenever there is a major change to the business unit's, subsidiary's or service contractor's activities or services.

Procedure:

Assessment Team:

To reduce subjectivity and individual biases, it is recommended that the identification and ranking process be undertaken by a team of at least three people in preferably non-reporting relationships. The team should have a broad knowledge of the scope and frequency of the organization's activities and have the necessary skills to identify and assess the related environmental impacts (actual and potential).

For those business units, subsidiaries and service contractors requiring assistance, TransLink will provide expertise as needed to help identify and assess environmental impacts.

Documentation:

The results of the following steps must be documented. One available option is the associated *Environmental Impact Assessment Spreadsheet*.

Steps to identify, assess and rank impacts:

1. **Activity Identification:**

   The first step in assessing actual or potential impacts is to identify all activities conducted by the organization that can, or do, interact with the environment. The team should consider the following when identifying activities:
   - normal operations,
   - start up and shut down,
   - non-routine activities or projects,
   - contractor and visitor activities, and
   - emergency situations.

When identifying activities it is useful to combine similar activities even if they are associated with different processes or services. For example, fuel/oil/grease handling may be common to many different processes, but should be considered one activity for this exercise.

2. Impact Identification:

The next step is to identify all actual or potential impacts associated with the identified activities. Actual or potential impacts should be identified assuming no controls are in place. When trying to determine if the activity does, or could, result in an impact to the environment, the team should consider:

- consumption of resources (e.g. energy, water, raw materials, etc.);
- planned and unplanned releases to air, land or water (e.g. sanitary & storm sewers, dust, exhaust, fuel/chemical leaks & spills, groundwater, etc.); and
- physical impacts (habitat alteration, erosion, noise, water diversion, etc.).

3. Impact Assessment:

Once identified, the impacts must be assessed to determine those that are significant to the organization. This is done using a simple risk assessment model, which considers an impact's severity and the probability of the impact occurring.

Risk = Severity x Probability

To understand the true risks facing the organization it is important to consider impacts without any controls that may be in place. For example:

- failure of pollution prevention controls (e.g. air filters, lock outs, containment, spill response, etc.) would dramatically increase the severity of a planned or unplanned release; or
- failure of adequate staff training on the proper operations and maintenance of fixed and mobile assets increases the potential for a release.

By assessing potential and actual impacts without controls, the effectiveness and value of the control in mitigating risk becomes apparent.

A. Severity

The severity of an impact can be assessed using the following criteria:

- environmental impact;
- regulatory requirements;

- service delivery; and
- impact on external relations.

Each of the criteria is rated from 1 to 4 to determine the magnitude of its effect. The highest scoring criteria (i.e. Environmental Impact, Regulatory Requirement, Service Delivery or External Relations) becomes the severity score for that impact. The following table provides guidance on criteria definitions.

Severity	Environmental Impact	Regulatory Requirement[1]	Service Delivery	External Relations
4 Critical	• Major or extensive impact and/or irreversible damage • Severe damage to adjacent property • Impact has long term effects	• Maximum regulatory penalty • Shutdown of facilities • TransLink concern	• Extended significant service delivery interruption	• Provincial headlines • Disastrous relations with stakeholders and public
3 Severe	• Damage is serious, limited and reversible • Some minor damage to adjacent property • Impact has long term effects	• Repeated offences • Significant fines • TransLink concern	• Significant service delivery interruption • Significant number of customers affected	• Local headlines • Difficult stakeholder and public relations
2 Marginal	• Damage is significant, localized and reversible • Impact has short term effects	• Reportable incident • Fines • Site and/or Business Unit concern	• Limited service delivery interruption • Limited number of customers affected	• Not in the media • Known by local stakeholders and public
1 Negligible	• Damage is insignificant and localized • No damage to adjacent property • Impact has short term effects	• Non-reportable incident	• No effect	• No effect

1 – Regulatory requirements must be determined on a case by case basis and there may be regulatory requirements even if there isn't any environmental damage.

B. Probability

The following table provides guidance for determining probability.

Probability	Criteria
4 Frequent	• One or more occurrences per year • Possibility of repeated incidents • Continuous, normal operation or procedure
3 Occasional	• One occurrence every three to five years • Isolated incidents
2 Remote	• Has happened in industry but infrequently • Once every 20 years
1 Unlikely	• Possible but very rare • Once in the life of the facility

4. Impact Ranking:

An overall risk ranking for each identified impact is obtained by multiplying the highest scored severity criteria by the probability criteria as shown in the table below.

A ranking of 9 – 16 is considered highly significant, a ranking of 6 – 8 is considered moderately significant and a ranking of 1 – 4 is considered low significance.

The resulting impact rankings are relative to each other and not absolute. For this reason it is important for the results of the ranking to reviewed as a whole to ensure that comparatively the ranking is appropriate. If an impact seems out of place compared to other impacts, its assigned severity and probability scores should be reviewed.

	Severity			
Probability	1 Negligible	2 Marginal	3 Severe	4 Critical
1 Unlikely	1	2	3	4
2 Remote	2	4	**6**	**8**
3 Occasional	3	**6**	**9**	**12**
4 Frequent	4	**8**	**12**	**16**

1 – 5 = Low

6 – 8 = Medium

9 – 16 = High

Environmental Impact Assessment Spreadsheet

#	Activity	Impact	Severity				Probability (1-4)	Risk Ranking	Significance
			Environmental (1-4)	Regulatory (1-4)	Service Delivery (1-4)	External Relations (1-4)			
Sample	*Oil Handling*	*Water contamination from spill*	*3*	*2*	*1*	*1*	*3*	*9*	*High*
								0	Not Ranked
								0	Not Ranked
								0	Not Ranked

Purpose and Scope:

This section provides a guide to the roles and responsibilities described in this environmental management system. Specific responsibilities are detailed in each of the procedures.

Procedure:

All employees will carry out their work activities consistent with the environmental policy and this environmental management system in order to avoid or minimize impacts to the environment.

Responsibilities:

	Policy	Planning	*Planning*	*Legal*	Implementation	*Training*	*Communication*	*Documentation Control*	*Records*	*Operational Control*	*Emergency Preparedness*	Checking & Corrective Action	Mgmt. Review
Chair						X							
Board	X		X				X	X				X	X
CEO	X					X							
Executive	X		X			X	X					X	
Extended Executive	X											X	X
VPs & Managers	X					X	X						
Extended Environmental Committee	X		X					X					
Emergency Planning Committee											X		
Manager, Engineering & Project Services	X		X			X	X	X				X	X
Manager, Service Contracts	X		X			X	X					X	
Manager, Financial Planning			X										
Manager, Roads & Bridges											X		
Business Units			X	X					X	X	X	X	
Subsidiaries	X		X	X		X	X		X	X	X	X	
Service Contractors	X		X	X			X		X	X	X	X	
Staff	X					X	X						

Records:

N/A

Tools:

N/A

Cross References:

1. ISO 14001 section 4.4.1 *Structure and Responsibility*

Purpose and Scope:

This procedure outlines the process by which the organization ensures that all staff, and the Board, are aware of the environmental responsibilities of their positions and have the capability to perform their duties in conformance with the environmental policy.

Procedure:

TransLink:

The Manager, Engineering and Project Services will develop, and keep current, an assessment of the environmental education and training needs for each relevant position (including the Board) within TransLink. The assessment should be reviewed annually or after any unexpected environmental incident where the root cause was related to staff training.

Based on the needs assessment:

- the Chair will ensure members of the Board have adequate knowledge to perform their duties;
- the CEO will ensure members of the executive have adequate knowledge to perform their duties; and
- vice-presidents and managers will ensure their staff are provided appropriate environmental training and education.

The Manager, Engineering and Project Services, through the Corporate Secretary, will support the Chair and CEO in ensuring the Board and Executive receive adequate education on environmental issues appropriate to their respective roles and responsibilities.

Subsidiaries:

Subsidiaries will ensure that all staff are capable of performing their duties and are aware of the potential and actual environmental impacts applicable to their work.

As part of existing training programs, subsidiaries will ensure environmental training and education needs are identified and provided to their staff, and their Board members, as appropriate. Records of this training and education will be maintained.

Service Contractors:

The Manager, Service Contracts will ensure that contracts contain clauses requiring that service contractor staff are capable of performing their duties and are aware of the potential and actual environmental impacts applicable to their work. These requirements will be monitored by the Manager, Service Contracts as part of regular contract administration.

Responsibilities:

Chair is responsible for:

- ensuring members of the Board have adequate knowledge to perform their duties.

Chief Executive Officer is responsible for:

- ensuring members of the Executive have adequate knowledge to perform their duties.

Vice-Presidents and ***Managers*** are responsible for:

- ensuring their staff are provided appropriate environmental training and education.

Manager, Engineering and Project Services is responsible for:

- developing, and keeping current, an assessment of environmental training and education needs within TransLink; and
- supporting the education needs of the Board and the Executive.

Manager, Service Contracts is responsible for:

- ensuring service contracts contain clauses regarding competence of contractor staff and for monitoring the contracts.

Subsidiaries are responsible for:

- identifying, providing and documenting environmental training.

Records:

- Minutes of Executive and Board meetings involving environmental briefings.
- Results of the environmental training needs assessment.
- Staff training records.

Tools:

N/A

Cross References:

1. ISO 14001 section 4.4.2 *Training, awareness and competence*

Purpose and Scope:

This procedure outlines the processes by which the organization communicates, both internally and externally, decisions and information related to its environmental issues.

Procedure:

Internal to organization:

TransLink utilizes existing channels to communicate environmental decisions and information throughout the organization including subsidiaries and service contractors. Communication channels include, but are not limited to:

- policies,
- business plans,
- reports,
- contracts,
- email,
- memos, and
- staff meetings.

Communication channels and reporting processes for specific procedures are described in the other sections of this EMS as applicable.

The Manager, Service Contracts and the Manager, Engineering and Project Services, are responsible for communicating, using the appropriate communication channel, to the service contractors and subsidiaries the applicable requirements as outlined in this management system.

All management (executive, vice presidents and managers) and staff will communicate environmental direction, information and concerns up and down the organization, utilizing appropriate communication channels.

All staff are required to report, through appropriate channels, any failures of the EMS or environmental incidents that require management attention. All incidents will be assessed for a root cause and an appropriate corrective action plan will be developed and reported on as described in section *4.1 Checking & Corrective Action*.

Regular reporting of environmental performance will occur through the semiannual reporting process described in section *2.1 Environmental Planning*.

External to organization:

The organization communicates to external parties on environmental matters through its annual report.

Views of external interested parties are received, documented and responded to through:

1. the three year strategic and transportation planning public consultation process;
2. the Manager, Engineering and Project Services who responds to environmental regulatory inquiries related to ownership of assets;
3. the Manager, Communications & Media Relations who responds to environmental inquiries from the media; and
4. the subsidiaries and service contractors who handle operations related environmental communications.

Responsibilities:

Board is responsible for:

- communicating environmental direction through policy.

Executive, Vice Presidents, and ***Managers*** are responsible for:

- communicating environmental direction and information throughout the organization.

Staff are responsible for:

- communicating failures in the EMS and environmental incidents to management.

Manager, Engineering and Project Services is responsible for:

- communicating the requirements of this management system to subsidiaries; and
- responding to external communications of a corporate nature.

Manager, Service Contracts is responsible for:

- communicating the requirements of this management system to service contractors.

Manager, Communications & Media Relations is responsible for:

- responding to media communications regarding environmental issues.

Subsidiaries and ***Service Contractors*** are responsible for:

- responding to and documenting external communications related to operations.

Records:

- Three year strategic and transportation public consultation report
- Annual report
- Semiannual performance reports
- Environmental incident reports

Tools:

N/A

Cross References:

1. ISO 14001 section 4.4.3 *Communication*
2. TransLink EMS Procedure 2.1 – *Environmental Planning*
3. TransLink EMS Procedure 4.1 – *Checking & Corrective Action*

Purpose and Scope:

This procedure outlines the process by which the organization controls EMS related documentation, including responsibilities for management.

Procedure:

TransLink's EMS manual and procedures are maintained in electronic format on the Online Work Library (OWL) documentation management system. Any printed version is not controlled and should be considered obsolete.

The Manager, Engineering and Project Services is responsible for maintaining TransLink's EMS and related procedures through OWL. Revisions of the EMS manual and procedures will be reviewed and endorsed by the Extended Environmental Committee. The Board approves TransLink's EMS.

Other EMS related documentation includes the:

- Environmental Policy
- Capital Project Procedures maintained by the Manager, Engineering and Project Service and reviewed annually or as needed.

Responsibilities:

Board is responsible for:

- approving TransLink's EMS.

Extended Environmental Committee is responsible for:

- reviewing and endorsing revisions to the EMS and related procedures.

Manager, Engineering and Project Services is responsible for:

- maintaining the EMS manual and procedures.

Records:

- A copy of each revision requiring Board approval, will be kept by the Manager, Engineering and Project Services for historical purposes

Tools:

N/A

Cross References:

1. ISO 14001 section 4.4.4 *Documentation*
2. ISO 14001 section 4.4.5 *Document Control*

Purpose and Scope:

This procedure outlines the process by which the organization manages records related to its environmental management system.

Procedure:

Records required by the EMS are listed in each of the procedures. All TransLink records are maintained through one of the following document management tools:

- Online Work Library (OWL) – the primary online document management system
- the Records Management Center (RMC) – for non-electronic records
- Peoplesoft – for human resource related records

Subsidiaries and service contractors are required to maintain relevant records as identified in this EMS. When possible records should be maintained in one of the above mentioned tools.

For those subsidiaries and service contractors without access to the above mentioned document management tools, records must be maintained such that they are readily retrievable, protected against loss or damage and retention times for each record type must be established and recorded.

Individual record approvals, responsibilities, retention, archival and obsolete material are fully documented through OWL, RMC and Peoplesoft.

Responsibilities:

TransLink:

- As defined in OWL.

Subsidiaries and ***Service Contractors*** are responsible for:

- maintaining records as required by the EMS.

Records:

- Documentation management system audit logs.

Tools:

N/A

Cross References:

1. ISO 14001 section 4.5.3 *Records*

Purpose and Scope:

This procedure outlines the process by which the organization identifies and develops operational controls required to allow TransLink to meet its environmental policy, objectives and targets.

Procedure:

The organization's operational impacts primarily occur with subsidiaries and service contractors. TransLink requires that subsidiaries and service contractors identify, develop and maintain their own operational controls as required to manage those activities identified in the planning process (see section *2.1 Environmental Planning*).

For those controls requiring capital funding, TransLink is responsible for the development and implementation of the control as outlined in the Capital Project Procedures, where as subsidiaries and service contractors are responsible for the maintenance and operation of the control.

Prior to being signed, all contracts (i.e. procurement of goods & services, licenses, and property agreements) will be reviewed for significant environmental impacts arising from the contract by the business unit responsible for the contract. If required, based on the review, clauses outlining the standards to be met will be included in the contract to minimize the impacts.

Responsibilities:

Business Units, ***Subsidiaries*** and ***Service Contractors*** are responsible for:

- identifying, developing and maintaining operational controls as required; and
- ensuring contracts contain appropriate clauses for minimizing environmental impacts arising from a contract.

Records:

N/A

Tools:

N/A

Cross References:

1. ISO 14001 section 4.4.6 *Operational Control*
2. TransLink EMS Procedure 2.1 – *Environmental Planning*

Purpose and Scope:

This procedure outlines the process used by the organization to identify and respond to emergency situations including the prevention, or mitigation, of associated environmental impacts.

Procedure:

To ensure information sharing between the different levels of the organization, the Emergency Planning Committee will meet to:

- identify gaps and overlaps between the different plans; and
- coordinate joint efforts between TransLink and its subsidiaries and service contractors (e.g. drills and response exercises).

The Manager, Roads & Bridges, chairs this committee.

TransLink:

TransLink's emergency preparedness is described in the *Corporate Emergency Plan* (CEP) which is maintained by the Manager, Roads & Bridges. The scope of the CEP covers major emergencies and disasters on a regional scale.

Business units will develop and implement environmental emergency preparedness systems which:

- identify and prioritize potential emergencies;
- identify, implement and document measures and procedures required to prevent, or mitigate, associated environmental impacts;
- include a communication protocol for reporting externally (as per regulatory requirements) and internally; and
- training requirements.

Emergency response drills will be conducted on a regular basis as appropriate to the nature of the operations and in compliance of all applicable regulations. Results of the drills will be documented.

Subsidiaries and Service Contractors:

Subsidiaries and service contractors will develop, and keep current, an emergency response plan appropriate to the scope of their operations. The plans will:

- identify and prioritize potential emergencies;
- identify measures required to prevent, or mitigate, associated environmental impacts;
- include a communication protocol that outlines when and how TransLink must be informed of emergency situations.
- include a communication protocol for reporting externally (as per regulatory requirements) and internally; and
- training requirements.

Emergency response drills will be conducted on a regular basis as appropriate to the nature of the operations and in compliance of all applicable regulations. Results of the drills will be documented.

For those subsidiaries and service contractors requiring assistance, TransLink will provide expertise as needed to help develop the environmental components of the emergency plans.

Responsibilities:

Manager, Roads & Bridges is responsible for:

- maintaining TransLink's Corporate Emergency Plan; and
- chairing the Emergency Planning Committee.

Business Units are responsible for:

- developing, keeping current and regularly testing an emergency response plan appropriate to the scope of their operations.

Subsidiaries and ***Service Contractors*** are responsible for:

- developing, keeping current and regularly testing an environmental emergency response plan appropriate to the scope of their operations; and
- communicating environmental emergencies to TransLink.

Records:

- Emergency Planning Committee meeting minutes
- Results of emergency response drills and tests
- Environmental incident reports

Tools:

N/A

Cross References:

1. ISO 14001 section 4.4.7 *Emergency Preparedness and Response*
2. TransLink's Corporate Emergency Plan

Purpose and Scope:

This procedure outlines the process used by the organization to assure that it is meeting its environmental policy, its environmental objectives & targets, and the requirements of this environmental management system. This assurance is provided through monitoring and audits, as well as the investigation and handling of nonconformances.

Procedure:

Monitoring

It is the responsibility of TransLink's business units, subsidiaries and service contractors to annually identify monitoring requirements based on their identified significant impacts and regulatory requirements.

The process for monitoring performance, including achievement of environmental objectives and targets, is described in EMS procedure 2.1 *Environmental Planning*.

Business units, subsidiaries and service contractors will identify and conduct monitoring as identified during the planning process (EMS procedure 2.1 *Environmental Planning*). Currently all monitoring which requires specialized equipment or expertise is contracted out, with clauses regarding quality assurance (i.e. equipment calibration) written into the monitoring contracts.

Appropriate records of monitoring results will be kept in accordance with regulatory permits and as required to assess environmental performance and compliance.

Auditing

Annually, prior to the management review, Translink will conduct an audit of its environmental management system. The scope of the audits will include checking subsidiary and service contractor performance against the requirements of the environmental management system.

The audits will be conducted by external auditors and coordinated by the Manager, Engineering and Project Services.

Corrective Action

It is the responsibility of TransLink's business units, subsidiaries and service contractors to address any nonconformances identified through the checking processes.

The Manager, Engineering and Project Services and the Manager, Service Contracts will track the corrective actions through the semiannual reporting process. If required, these managers will take actions as necessary to ensure the business units, subsidiaries and service contractors, complete all corrective actions.

Reporting
Results of the audits and status of corrective action plans, will be communicated to the Executive, Extended Executive and Board through the semiannual reporting process and the annual management review, for their review and response as appropriate.

The Manager, Engineering & Project Services, or the Manager, Service Contracts, will report to the Executive, Extended Executive and the Board those environmental incidents that require senior management attention as appropriate.

Responsibilities:

Executive, Extended Executive and ***Board*** are responsible for:
- reviewing and responding as appropriate audit results and corrective action plans.

Manager, Engineering and Project Services is responsible for:
- coordinating the annual management system audit and associated corrective action plan;
- tracking corrective actions of the business units and subsidiaries; and
- reporting to the Executive, Extended Executive and Board significant environmental incidents as appropriate.

Manager, Service Contracts is responsible for:
- tracking corrective actions of the service contractors; and
- reporting to the Executive, Extended Executive and Board significant environmental incidents as appropriate.

Business Units, Subsidiaries and ***Service Contractors*** are responsible for:
- identifying and conducting monitoring as required, based on their identified significant environmental impacts and regulatory requirements;
- addressing nonconformances; and
- maintaining appropriate records.

Records:

- Monitoring results including reports from contracted monitoring.
- Audit reports and associated corrective action plans.
- Semiannual performance reports.

Tools:

N/A

Cross References:

1. ISO 14001 section 4.5.1 *Monitoring*
2. ISO 14001 section 4.5.2 *Nonconformance and corrective and preventive action*
3. ISO 14001 section 4.5.4 *Environmental management system audit*
4. TransLink EMS procedure 2.1 - *Environmental Planning*
5. TransLink EMS procedure 2.2 - *Legal & Other Requirements*
6. TransLink EMS procedure 5.1 - *Management Review*

Purpose and Scope:

This procedure outlines the process used by the organization to annually review the effectiveness and adequacy of its environmental management system which provides the basis for continual improvement.

Procedure:

Annually, in the fourth quarter, the Extended Executive will review TransLink's environmental management system. During the review, the Extended Executive will:

- assess performance results and changes to the operating environment;
- evaluate the continuing effectiveness and adequacy of the environmental management system; and
- identify areas for continual improvement and assign responsibility for coordination and completion.

The results of the annual management review will be communicated to the Board for their review and action as appropriate.

The review will be coordinated by the Manager, Engineering and Project Services who will collect and forward the information necessary to allow the Extended Executive to adequately conduct its review. Prior to the management review, the Extended Environmental Committee will review the information and will provide the Extended Executive a set of recommendations for improvement.

Actions resulting from the review will be tracked through the semiannual reporting process.

Responsibilities:

Board is responsible for:

- reviewing and responding to the results of the annual management review.

Extended Executive is responsible for:

- conducting an annual review of TransLink's environmental management system.

Manager, Engineering and Project Services is responsible for:

- coordinating the annual management review.

Records:

- Minutes from the annual management review.

Tools:

N/A

Cross References:

1. ISO 14001 section 4.6 *Management Review*

CHAIR
Doug McCallum

DIRECTORS
Fred Bass
Malcolm Brodie
David Cadman
Larry Campbell
Marlene Grinnell
Marvin Hunt
Don MacLean
Barbara Sharp
Joe Trasolini
Wayne Wright
Scott Young

CEO
Pat Jacobsen

To: GVTA Board of Directors

From: Glen Leicester, Vice President Planning

Date: October 17, 2003

Subject: Future Directions for U-Pass, Employer Pass & Community Pass Programs

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Staff Recommendation:
That the Board:

i) Receive the report dated October 17, 2003, titled "Future Directions for U-Pass, Employer Pass and Community Pass Programs;

ii) Subject to resources to be obtained through the proposed new Three Year Transportation and Financial Plan and a successful review of the current U-Pass program at the University of BC and Simon Fraser University, direct staff to:

- Work with the other publicly funded post secondary schools under the current FastTrax Program to expand the U-Pass Program to all schools by 2007.
- Work with major employers to launch a pilot Employer Pass Program for employees and their families, employing similar principles to the U-Pass Program.
- Work with UBC and SFU to launch a pilot Community Pass Program, employing similar principles to the U-Pass Program.

iii) Bring back to the Board for their approval the details of agreements for launching an expanded U-Pass Program and pilot Employer and Community Pass Programs.

PURPOSE

The purpose of this report is to outline future directions for the expansion of the U-Pass Program as well as the possible launch of pilot Community and Employer Pass Programs employing U-Pass Program principles.

BACKGROUND

One of TransLink's goals is to build ridership. This can be accomplished through both supply and demand side strategies. On the later, TransLink's strategy has been to make the transit system more viable and convenient to customers, especially students and commuters who frequently use transit. The strategy focuses on building loyalty, creating and building a stronger transit market. To date TransLink has taken two important initiatives designed to implement this strategy.

i) In April 2002, cash and ticket prices were increased, however monthly pass prices were held at existing levels providing frequent transit users a break on the price point; and
ii) In September 2003, universal passes (U-Pass) were introduced for students at UBC and SFU providing a deeply discounted semester pass.

Achieving these objectives through these above-noted actions has increased TransLink's ridership and customer satisfaction. As well, these actions have assisted in building a base on which to continue to grow ridership and market share in the future.

Students are an excellent transit market with potential to grow. The U-Pass Program, serving approximately 60,000 full and part time students at the University of BC and Simon Fraser University, was successfully launched on September 1, 2003. Initial results from September counts indicate that this program has resulted in 35% and 40% ridership increases at SFU and UBC respectively.

The Three Year Transportation and Financial Plan (2002-2004), approved by the Board in July 2002 included additional service and administrative costs to order to increase ridership and build future markets through the introduction of the SFU and UBC U-Pass Program. The costs included additional service hours in 2003 and 2004, totalling $4.6 million annually, and the start up and ongoing administrative costs of $600,000 and $250,000, respectively.

TransLink's current Three Year Plan (2002-04) does not provide for the expansion of the U-Pass program to other post-secondary educational institutions before the end of 2004. This was meant to provide sufficient time to evaluate the first year of experience with the initial U-Pass programs before considering expansion of the program to other publicly funded post-secondary schools. As well, TransLink needs to seek approval of the Board of sufficient resources (e.g., vehicles and new service hours) proposed under a new Three Year Plan (2005-2007), to address the needs of an enlarged U-Pass Program. The 60,000 students at the other post-secondary schools covered by the existing FastTrax Program are able to now purchase two and three-zone transit passes for the price of a one-zone pass.

There is also growing interest on the part of employers and communities in looking at similar targeted fare discount programs employing principles similar to those of the

U-Pass Program. These market groups and potential future directions for programs are discussed below.

DISCUSSION

Expansion of the U-Pass Program

Since late 2001, staff has had discussions with several post-secondary institutions to examine the potential for extending the U-Pass Program after 2004. These activities have ranged from preliminary expressions of interest about a possible U-Pass Program with student and administrative representatives at the British Columbia Institute of Technology, Capilano, Kwantlen and Douglas Colleges, to the completion of travel surveys for students at Langara and Vancouver Community Colleges.

In April 2002, the GVTA Board approved a set of principles for the development of the U-Pass. These principles are included below and have been expanded upon as a result of the experience with implementing the SFU and UBC U-Pass agreements.

- **Revenue Protection:** From a financial perspective, TransLink cannot afford to lose fare revenue from implementation of a U-Pass Program. As a result, the pricing of the pass is based on the principle that existing revenues from transit trips made by students should be maintained. Estimation of existing ridership and fare revenues at each institution will be determined by conducting a market survey of student travel patterns and fare payment methods, in co-operation with the student society and school administration. As part of the U-Pass legal agreement, there should also be provision for some revenue growth associated with any fare changes TransLink may introduce during the term of the agreement. To ensure that there is not fraudulent use of the passes, TransLink requires participating institutions to a have a U-Pass which contains a digital photograph and student name, a control number, an expiry date, and the terms and conditions of its use.

- **Pricing:** The U-Pass rate paid to TransLink by UBC and SFU, which had student transit mode shares of 30% and 34% prior to introduction of U-Pass, is $23 and $25 per month, respectively. Students at each institution pay a slightly lower U-Pass fee to their student societies ($20 for UBC and $23 for SFU) as a result of subsidization by the universities. To offer some harmonization of future U-Pass pricing and to facilitate entering into agreements with additional institutions while still maintaining the objective of the program being revenue neutral to TransLink, TransLink has considered three U-Pass rates based on transit mode share. The U-Pass rates could include:

    - A **city rate** for campuses where existing transit mode share is very high exceeding 40%, in the $35-$45 per month range;

- **An urban rate** where transit share falls between 20% and 40% in the $20-$30 per month range; and
- **A suburban rate** for campuses where transit share falls below 20% in the $15 to $20 range per month.

- **Mandatory Pass:** The U-Pass Program will only be financially viable to TransLink if it is introduced on a mandatory basis to all students within an institution, subject to exceptions for students who meet specific exemption criteria.

- **Legal Agreement**: The implementation of the U-Pass will be governed by a standard legal agreement between TransLink, the institution and its student society, if applicable, similar to the existing SFU U-Pass agreement.

- **Printing and Distribution of Passes:** The printing of all future U-Passes will be handled by TransLink or on behalf of TransLink through a third party contractor, provided that replacement passes may be printed by the institution. The institution will be responsible for all the costs and duties involved in distribute on of the pass.

Recommended Future Directions for Post Secondary School U-Pass Programs

It is recommended that staff monitor the financial and service impacts of the recent implementation of the SFU and UBC U-Pass Programs. Based upon the GVTA Board approval of sufficient resources for expanding the program as part of the proposed new Three Year Plan (2005-2007), staff will proceed with appropriate steps to expand the U-Pass Program. These include initiating discussions/negotiations with other schools and undertaking the appropriate market research and background work in 2004 and 2005. This would enable the U-Pass Program expansion to be staged over the 2006 and 2007 years to many of those publicly funded post-secondary schools currently participating in the FastTrax Program. The establishment of a U-Pass Program at each school will be subject to approval of the U-Pass Program by student referendum.

TransLink will not be able to implement such an expansion to the U-Pass Program until 2006, as additional buses are not likely to be delivered by a manufacturer until late 2005 or early 2006.

Employer Pass Program

Commuters also represent a key market for Translink to grow. Under the Employer Pass Program TransLink provides annual transit passes with photo identification, to employer groups with 25 or more employees. Employees purchasing these passes receive a 15% to 17% discount for one to three zone passes. This program has grown steadily as a result of being targeted at areas where there is currently excellent transit service and significant concentrations of employees (e.g., near SkyTrain stations). Under this program approximately 7,500 passes are currently provided, which represents 6% of the total monthly passes that TransLink sells. The program is part of a broader On-Board

Commuting Options marketing program administered by TransLink and BEST, which works closely with employers to identify how employees currently travel, and to provide information and training as to how their travel needs may be best met by a variety of alternatives.

Staff has had discussions with several major employers located in areas well served by transit that are interested in the introduction of a possible pilot fare discount program for employees and their families. This program would mirror the principles of the U-Pass Program in terms of it providing unlimited travel transit passes with photo identification and a price lower than current monthly passes based upon mandatory acceptance by a majority of employees. Subject to resources, successful negotiations and GVTA Board approval, a pilot program could possibly be launched in 2004.

Community Pass Program

Another concept that has been employed by other transit systems to increase transit ridership by making transit easy and affordable to use, is the introduction of a Community Pass Program.

For example, some American cities have experimented with providing deeply discounted monthly or annual transit passes to geographically defined communities, as a means of encouraging use of transit. One example of a broad program of this type is in Boulder, Colorado, which has a population of 100,000 and is located just outside Denver. This program is termed the Neighborhood Eco Pass Program (NECO Pass) and has been in existence since early 1990. This program currently provides an annual transit pass to 4,000 residents within 15 geographically defined neighbourhoods throughout the city. The pass is good for unlimited travel on all Boulder Community Transit routes as well as all regional transit services of the Denver Rapid Transit District. To be eligible for the program, a neighbourhood must contain at least 100 households. The annual cost of the pass is approximately $50 to $120 (US) per household and varies by neighbourhood and is on average $55 (US) per household.

The Boulder NECO Pass program is administered through annual contracts between the City, Denver Rapid Transit District and neighbourhood associations. The annual cost for each neighbourhood is determined through a formula based on the amount of transit service used by residents, as measured through periodic trip diary surveys, and unit costs for providing transit service. This annual cost figure is typically adjusted each year. The funds to pay the annual cost are collected by neighbourhood coordinators from a range of sources including neighbourhood households' pledges, fund raising community events, and donations. Under this arrangement, each neighbourhood association in the program has full responsibility and flexibility to cover the program's cost in any way it chooses. To encourage program trial and continued participation, the City of Boulder offers a 50% subsidy in the first year to new neighbourhoods entering the program and a 30% subsidy in subsequent years. A principal reason for the participation in this program has been the provision of this subsidy.

The Boulder NECO Pass is currently a non-electronic photo ID card that is inspected visually by transit operators. Neighbourhood residents must have their photo taken for the pass but in subsequent years the pass is updated using an annual sticker.

As most of the participating neighbourhoods are small (averaging 250 residents), the NECO Pass program has generally resulted in only small increases in ridership on specific bus trips and has not required significant increases in transit service levels. The program has typically increased transit ridership by 50% in participating communities. In combination with universal transit pass programs for the University of Colorado, businesses and high schools, the NECO Pass program has succeeded in holding traffic congestion levels in the City of Boulder constant at 1996 levels (compared to a 20-30% increase in congestion in Denver over the same period).

Other similar programs have been established in Bellevue, Washington and Santa Clara County, California.

The potential to implement a program similar to the Boulder NECO Pass in the GVRD would seem to be low for the following reasons:

i) Implementation could result in a significant loss of revenue or a high level of subsidy in neighbourhoods which request the establishment of such a program and where there is a relatively high use of transit.

ii) The start-up and on-going administrative costs of such a similar program would be significant for TransLink in terms of paying for and administering the market surveys that have to be conducted in each neighbourhood to establish the price of the pass, negotiating and administering a large number of separate contracts and managing a program where the pass prices and terms of payment could vary with each neighbourhood.

Potential Community Transit Pass Pilot Program in GVRD

There is currently a community transit pass program demonstration project (ComPASS) being managed by UBC and funded by a Federation of Canadian Municipalities grant. TransLink, the GVRD and the City of Vancouver are also participating in this project through a staff committee. This demonstration was initiated in March 2003 and is to be completed in December 2003. It entails providing families in specific neighbourhoods with free transit passes and monitoring the impact of this on travel behaviour and attitudes towards transit and use of private vehicles.

There have also been very preliminary discussions between staff and the proponents of other possible discount transit passes for specific communities which are being planned or built as sustainable areas: UniverCity – the new community currently being built at

Simon Fraser University on Burnaby Mountain and the new mixed development being planned for the South-East False Creek community in the City of Vancouver.

There are several issues involved here concerning the implementability of a Community type pass. Some of these issues include:

i) What is an acceptable price for a Community Pass both from TransLink's perspective in terms of protecting existing fare revenues and possible increased administrative and service costs; and from the landlord or developer and unit perspective in terms of the marketability?
ii) How many passes should be able to be distributed per unit-a defined number or unlimited to all members?
iii) How would approval for imposition of a payment for such a pass be obtained?
iv) What would be the appropriate duration of the Community Pass (i.e., one year)?
v) What are the appropriate eligibility criteria for defining communities under this program?

Recommended Future Directions for Community Passes

It is recommended that staff continue discussions with SFU and UBC about the possibility of conducting a pilot program for a Community Pass especially for unique communities that are geographically separate, where there is a dominate landlord for the housing, where existing transit service is excellent, and where there is an opportunity for a mandatory and discounted Community Pass. UBC and SFU represent opportunities as they are at the ends of the transit network and resources are often underutilized in the opposite direction. In the case of the City of Vancouver, the Southeast False Creek development represents a longer term project.

These discussions would better define what a Community Pass may or may not do and how it would be administered and implemented. As there are significant issues and challenges to implementing a Community Pass, it is not likely that such a pilot program could be introduced until late 2004 subject to resources, successful negotiations and GVTA Board approval.

Implications of Expansion of Pass Programs

While the expansion of the U-Pass Program and the possible introduction of special Employer and Community Pass pilot programs will contribute to increasing ridership and building markets, these programs will have staffing and resource implications for TransLink, and could impact total fare revenues. As per current policy, staff attempt to design and negotiate the programs so they are revenue neutral, however TransLink's average fare will likely drop as a greater percentage of existing customers shift to these fare programs. A decline in the average fare occurred when monthly pass prices were frozen in 2002 while cash and faresaver ticket prices were increased and average fares

dropped again when the U-Pass introduced. This has resulted in average fares declining from $1.76 in 2002 to a projected $1.68 in 2004.

TransLink has included resources for providing transit service improvements for the expansion of the U-Pass Program and other similar programs in the Discussion Paper on the Ten Year Outlook and Three Year Financial Strategy. Subject to the Board approval of the Three Year Financial Strategy in December 2003, staff would prepare a detailed Three Year Transportation and Financial Plan to be presented to the Board in March 2004.

CONCLUSION

The implementation of the SFU and UBC U-Pass Programs has been successful and shown the benefits of multi-party partnerships. The revenue and service implications of this program will be closely monitored over the next year. Subject to the approval of TransLink's Ten Year Outlook and Three Year Strategy by the GVTA Board, and approval of the requested financial plan, TransLink should pursue the staged expansion of the U-Pass Program with other publicly funded post-secondary schools in 2006 and 2007.

As well, TransLink could achieve the objective of increasing the affordability and accessibility of transit service by modifying or launching pilot projects in 2004 for the Employer Pass Program and offering fare discount programs to other well-defined community groups under a new Community Pass type program.

Reviewed by Finance & Audit Committee, October 15, 2003

To: GVTA Board of Directors

From: Ian Jarvis, Chief Operating Officer

Date: October 07, 2003

Subject: **Banking Services Contracts**

Staff Recommendation:

That the Board:

A. Approve the selection of Scotiabank as the provider for core banking and coin processing services for TransLink and its subsidiaries for the five years 2004 to 2008; and

B. Approve the selection of Moneris as the provider for debit and credit card services for the five years 2004 to 2008, subject to satisfactory testing of PinPads for the West Coast Express.

PURPOSE

To select the service provider for banking services and debit/credit card service for TransLink and its subsidiaries for the five years 2004 to 2008.

CONTEXT

It has been a company policy that all banking services be tendered every five years.

Scotiabank currently provides core banking and coin processing services for TransLink and its subsidiaries and the contract expires December 31, 2003.

Debit and VISA processing is provided by Scotiabank/Paymentech and Master Card processing is provided by Bank of Montreal/Moneris. Debit and credit card services were not included in the last bank tender in 1997.

Annual cost of banking service and carrying cost of surplus coins is $225,000 and the annual cost of debit and credit card processing is $234,000.

DISCUSSION

In July 2003, Request for Proposals (RFP) to provide banking and debit/credit card services for TransLink and its subsidiaries were sent to the following major banks and Credit Unions:

- Pank of Montreal
- Canadian Imperial Bank of Commerce (CIBC)
- HSBC Bank Canada
- Royal Bank
- Scotiabank
- TD Canada Trust
- VanCity

The RFP contains two major components:

- Core banking services and coin/currency processing: include day-to-day deposits, electronic fund transfers, cheques, electronic payments, coin/currency processing and reporting for TransLink and its subsidiaries. Due to the wide divergence in the pricing of the coin-handling fee in the last bank tender, we have provided specific pricing options that include a distinct coin handling fee, a separate interest charge on a deemed surplus coin balance or requirement to hold a non-interest bearing amount with the bank to compensate them for the cost of carrying surplus coin.

- Debit and credit card processing: include Interac, VISA and Master Card processing for Faredealer, West Coast Express and AirCare operation

The RFP was posted on TransLink's web site and advertised in the Vancouver Sun and the Province.

Proposals were received from the following financial institutions and their debit/credit card business partners on August 27, 2003:

- For core banking and coin/currency processing:

    - Bank of Montreal
    - HSBC Bank of Canada
    - Scotiabank
    - TD Canada Trust

Financial institutions that did not respond all cited an inability to provide the full range of banking services required, particularly the processing of large volume of coin.

- For debit and credit card processing:

  - Global Payments Canada Inc./CIBC
  - Moneris/Bank of Montreal, Royal Bank and HSBC
  - Paymentech Canada/Scotiabank
  - TD Canada Trust

The proposals for the core banking and coin processing services were evaluated by a committee comprised of finance representatives from TransLink, Coast Mountain Bus Company Ltd. (CMBC), BC Rapid Transit Company Ltd. (BCRTC), West Coast Express Ltd. (WCE) and Pacific Vehicle Testing Technologies Ltd. (PVTT).

The factors considered in the evaluation were:

- Cost of coin and currency processing;
- Cost of core banking services;
- Firmness of pricing and term;
- Quality of proposal;
- Cost of transition to new provider;
- Capability of electronic transfer and receipt of funds;
- Client support and customer service;
- Value added options offered; and
- Location of branch offices and hours.

All proposals showed a fairly consistent approach and pricing to the core banking (non-coin) services. The major difference is in the coin handling proposals. Bank of Montreal and HSBC proposed an interest charge on surplus coin while TD Canada Trust offered a compensating balance requirement but would not specify the amount required. Scotiabank has the lowest cost proposal and offered the option of a distinct coin handling fee or a compensation balance. They also demonstrated an in-depth understanding of our coin processing issue. Their proposed fee is approximately 25% lower than the current fee.

The proposals for debit and credit card processing were evaluated by a committee comprised of finance representatives from TransLink, WCE and PVTT.
The factors considered in the evaluations are:

- Transaction fees: This represent the biggest costs in debit and credit card processing and is volume based;
- Other costs (include terminal and imprinter rentals, charge backs, reporting fees, set up and initial certification fee, communication fee, settlement value date carrying costs and conversion costs);

- Soft costs (include staff time and risk regarding change over to a new provider);
- Services offered;
- Quality of proposal;
- Reporting capabilities; and
- Technical support.

Initial evaluations showed a significant difference in the key pricing of the four proposals. Moneris and Paymentech submitted the lowest cost proposals.

Moneris is a business partner with Royal Bank and the Bank of Montreal and is Canada's largest transaction processor. Their proposal demonstrated their leadership in electronic payment processing, innovation, technology and other value added solutions which will be beneficial to the future growth of TransLink. They also have the lowest cost proposal that is 8% lower than the current cost.

Paymentech currently provides the majority of our debit and credit card processing, a change over to a new provider will involve equipment changes and thorough testing to ensure the new PinPads are compatible and do not disrupt the on going operation of West Coast Express.

CONCLUSION

It is recommended that Scotiabank be selected as the service provider for core banking and coin/currency processing for TransLink and its subsidiaries; and Moneris be selected as the service provider for debit and credit card processing for West Coast Express, AirCare and the Faredealer, subject to the satisfactory testing of PinPads with West Coast Express.

To: GVTA Board of Directors

From: Finance & Audit Committee

Date: October 14, 2003

Subject: **Board and Committee Remuneration**

Committee Recommendation:

In order to maintain consistency between the GVTA Board remuneration policy and the GVRD Board remuneration policy, that the Board replace the existing "Resolution to Adopt Guidelines for Payment of Remuneration and Expenses of Directors and Advisory Committee Members of Greater Vancouver Transportation Authority" with the new "Resolution to Adopt Guidelines for Payment of Remuneration and Expenses of Directors and Advisory Committee Members of Greater Vancouver Transportation Authority" set in Appendix "3" of this report, effective January 1, 2004.

BACKGROUND

In Fall 2002, the GVRD board established a GVRD Board and Committee Remuneration Review Committee to conduct an independent review of the GVRD meeting fees and salaries paid to GVRD elected officials in comparison with remuneration for other elected officials at municipal, provincial and federal government levels, with consideration given to RRSP and pension plans.

After consideration and review of the results of the independent review, the GVRD Board of Directors, at its July 29, 2003 meeting, passed the Greater Vancouver Regional District Regional Board and Committee Remuneration Amending Bylaw Number 995, 2003. This GVRD Amending Bylaw had the following effect, retroactive to January 1, 2003:

- Chair remuneration set at $40,000 per annum;
- Vice-Chair remuneration set at $20,000 per annum;
- Director per meeting fee payments set at $200 per meeting ($400 for meetings over 4 hours); and
- Committee members, who are not directors or alternate directors, remunerated for meetings in addition to regularly constituted committee meetings.

A copy of the consolidated GVRD Bylaw is attached as Appendix "1" to this report.

At the October 3, 2003 meeting of the GVRD Board of Directors, the GVRD Board decided to use the Vancouver Consumer Price Index as of January 1st of each year as the formula for making annual adjustments to board and committee remuneration. Staff has been directed to propose further amendments to the GVRD Board Remuneration Bylaw to implement this method of making annual adjustments.

DISCUSSION

Under the *Greater Vancouver Transportation Authority Act*, the GVTA Board is currently composed of (a) 12 GVRD Directors and Mayors appointed by the GVRD in accordance with s. 8(2) and (3) of the Act and (b) 3 Members of the Legislative Assembly appointed by the Province under s. 8(4) of the Act. The 3 provincially-appointed seats have been vacant for the past few years.

From 1998 until the GVRD changed its board remuneration bylaw in 2003, the compensation levels for the GVTA Chair and directors were the same as those for the GVRD Chair and directors. The Chairs were paid $2,400 per month, and directors were paid $125 for each meeting ($250 for each meeting over 4 hours). A copy of the existing GVTA "Resolution to Adopt Guidelines for Payment of Remuneration and Expenses of Directors and Advisory Committee Members of Greater Vancouver Transportation Authority" is attached as Appendix "2".

Both the GVTA and GVRD Boards are responsible for providing regional services. The annual operating budget of the GVTA is approximately $600 million and the annual operating budget of the GVRD is approximately $400 million. The current capital program of the GVTA is approximately $875 and the current capital program of the GVRD is approximately $650. The nature of board issues arising and the level of effort required to prepare for meetings are similar.

The roles of the GVTA and GVRD Board Chairs are also similar in nature. The Chair of each board is the spokesperson on regional policy issues and the demands with respect to meeting preparation, meetings, media interviews and stakeholder meetings are similar.

The 12 regionally-appointed members of the GVTA Board are primarily a sub-set of the GVRD Board. The GVTA Board bears a similar level of responsibility as the GVRD Board. Historically, GVTA Board remuneration has been the same as GVRD Board remuneration. For these reasons, it is recommended that the GVTA Board remuneration resolution be amended to be consistent with the changes adopted by the GVRD Board, and be effective January 1, 2004.

Attached as Appendix "3" to this report is a proposed resolution that reflects remuneration levels for members of the GVTA Board of directors that are consistent with the updated remuneration levels for the GVRD Board of directors. It incorporates the concept of annual adjustments to fees based upon increases in the Vancouver Consumer

Price Index in the immediately preceding year. This proposed resolution also brings the travel expense guidelines for the GVTA Board in line with those for the GVRD Board.

By way of background, attached as Appendix 4 to this report are the following GVRD board reports:

- Report dated September 12, 2003 entitled "Formula for Making Annual Adjustments to Board and Committee Remuneration" from the Finance Committee to the GVRD Board of Directors.
- Report dated June 12, 2003 entitled "Board and Committee Remuneration" from the Finance Committee to the GVRD Board of Directors.
- Report dated May 22, 2003 entitled "Result of an Independent Review of Board and Committee Remuneration" from GVRD Board and Committee Remuneration Review Committee to Finance Committee.
- Report Dated October 23, 2002 entitled "Greater Vancouver Regional District Regional Board and Committee Remuneration Amending Bylaw Number 985, 2002" from Finance Committee to GVRD Board of Directors.

CONCLUSION

Given the many similarities between the GVTA Board and the GVRD Board, it is recommended that the GVTA Board remuneration resolution be amended to be consistent with the GVRD's Board remuneration bylaw 912, 1999 (as amended).

Appendix "3"

GREATER VANCOUVER
TRANSPORTATION AUTHORITY
RESOLUTION

A Resolution to Adopt Guidelines for Payment of Remuneration and Expenses of Directors and Advisory Committee Members of Greater Vancouver Transportation Authority

WHEREAS the Greater Vancouver Transportation Authority Act permits the Board, by resolution, to establish guidelines under which the Greater Vancouver Transportation Authority (Authority) will reimburse its directors for expenses and pay fees to its directors and to the chair of the Board; and

WHEREAS it is deemed expedient to establish guidelines to govern reimbursement by the Authority to its directors for expenses and to govern payment of fees by the Authority to its directors and the chair of the Board;

NOW THEREFORE the Board of Directors of the Greater Vancouver Transportation Authority, in open meeting assembled, RESOLVES to adopt the Guidelines for Payment of Remuneration and Expenses which are attached as *Schedule A* to this Resolution, which Guidelines for Payment of Remuneration and Expenses will be in effect January 1, 2004.

DATED this 29th day of October, 2003.

SCHEDULE A
TO RESOLUTION DATED OCTOBER 29, 2003
TO ADOPT GUIDELINES FOR PAYMENT OF
REMUNERATION AND EXPENSES
OF DIRECTORS AND ADVISORY COMMITTEE MEMBERS OF
GREATER VANCOUVER TRANSPORTATION AUTHORITY

Interpretation

1. In these guidelines:

"Act" means the *Greater Vancouver Transportation Authority Act*;

"Advisory Committee Member" means a member of a committee appointed pursuant to subsection 6(2)(e) of the Act to provide the authority with advice respecting its transportation services and systems;

"Authority" means the Greater Vancouver Transportation Authority;

"Board" means the Board of Directors of the Greater Vancouver Transportation Authority;

"Committee" means a committee of Directors of the Board established by the Board;

"Director" means a member of the Board appointed pursuant to either of Subsections 8(2) or 8(4) of the Act;

"GVRD Appointed Director" means a member of the Board appointed pursuant to Subsection 8(2) of the Act.

Guidelines for Payment of Board Chair

2. The Authority will pay the Chair of the Board (if a GVRD appointed director) the sum of $3,334 per month for fulfilling his or her duties as Chair and Director.

3. In addition to the remuneration provided for in Section 2, if the Board appoints the Chair to serve on any committee of the Board, the Board may provide by resolution to pay the Chair the sum of $200 for each such committee meeting attended by the Chair.

Guidelines for Payment of GVRD Appointed Directors

4. The Authority will pay a GVRD appointed director (other than the Chair) the sum of $200 for attendance at:

(a) Meetings of the Board;

(b) Regularly constituted meetings of a committee of the Board of which they are a member;

(c) Regularly constituted meetings of sub-committees of the Board and sub-committees of the committees of the Board of which they are a member;

(d) Meetings referred to in Section 6(b);

(e) Public information meetings and public hearings where the Board appoints a panel;

(f) Courses, conventions, seminars, workshops and conferences where the attendance is authorized by the Board;

(g) Meetings of other outside organizations where the director has been appointed by the Board to represent the Authority provided no other payment is received from such organizations;

(h) Such other meetings outside the GVRD, the City of Victoria, or the Fraser Valley Regional District on the business of the Authority as authorized by the Board;

(i) Such other meetings on the business of the Authority within the GVRD, the City of Victoria, or the Fraser Valley Regional District as authorized by the Chair.

Payment of Committee Chairs

5. The Authority will pay any GVRD appointed director serving as a Chair of any Committee of the Board, in addition to the remuneration provided for in Section 4, the sum of $200 per month as payment for meetings with staff of the Authority and other routine business of their committees including reviewing agendas, signing correspondence and other matters of a routine administrative nature.

6. In addition to the payment set out in Section 5, the Authority will pay a Committee Chair, or a GVRD appointed director who is the designate of a Committee Chair, a payment for each meeting or event, as the case may be, of $200 in the following circumstances:

(a) for events or occasions which the Committee Chair or his or her designate attends as an official representative of the Board, including, but not limited to, the official opening of facilities, a public event sponsored by a Committee, or such other events or occasions as may be authorized by the Chair; and

(b) for non-routine meetings with staff and/or the Chair or other Directors including substantive briefings for newly appointed Chairs and substantive policy discussion.

Additional Guidelines for Payment

7. In determining the remuneration to be paid to GVRD appointed directors for meetings as authorized pursuant to Sections 3, 4 and 6, the following additional guidelines shall apply:

(a) If a GVRD appointed director attends one or more meetings on any one day which last more than 15 minutes, the Authority will pay that director $200 for attending each such meeting;

(b) If a GVRD appointed director attends a meeting which lasts four hours or more, the Authority will pay that director $400 for attendance at that meeting; and

(c) If a GVRD appointed director attends any meeting that lasts less than 15 minutes, the Authority will only pay that director for attending such meeting where the director was not required to attend another meeting at the same location within four hours of such meeting.

In this Section, meetings include hearings, courses, conventions and similar events for which payments will be made pursuant to Sections 3, 4 and 6.

Payment for Expenses

8. One third of the fee payments made to directors provided for in Sections 2 to 6 shall be paid as an allowance for expenses incurred incidental to the discharge of duties.

9. The Authority will reimburse directors for actual and reasonable entertainment expenses for hosting meals and refreshments while engaging in the business of the Authority.

Guidelines for Payment of Travel and Incidental Expenses Actually and Properly Incurred

10. The Authority will reimburse directors for expenses incurred while engaged in the business of the Board outside of the transportation service region (as defined in the Act) as follows:

(a) Where such a trip is of one day's duration or less, the Authority will pay a director for reasonable out-of-pocket expenses actually and properly incurred in connection with the trip.

(b) Where such a trip is of more than one day's duration, the Authority pay a per diem allowance of $60 to a director for travel within Canada or a per diem allowance of $85 to a director for travel outside of Canada, and will reimburse such director for reasonable out-of-pocket expenses actually and properly incurred in connection with the trip for economy air fare, ground transportation, hotel accommodation and conference or meeting registration fees where applicable.

11. The Authority will reimburse those directors that are required to travel from outside the transportation service region (as defined in the Act) to attend meetings of the Board or Committees for reasonable travel and incidental expenses actually and properly incurred.

12. The Authority will reimburse members appointed to Advisory Committees under subsection 6(2)(e) of the Act for reasonable travel and incidental expenses actually and properly incurred by these members in the discharge of their duties.

Formula for Making Annual Adjustments to Board and Committee Remuneration

13. The fees payable to directors under Sections 2, 3, 4, 5, 6, 7 and the maximum expense limits set out in Section 10 of this board remuneration resolution will be adjusted annually according to the annual change in the Vancouver Consumer Price Index for the immediately preceding year.

GREATER VANCOUVER
TRANSPORTATION AUTHORITY
RESOLUTION

A Resolution to Adopt Guidelines for Payment of Remuneration and Expenses of Directors and Advisory Committee Members of Greater Vancouver Transportation Authority

WHEREAS the Greater Vancouver Transportation Authority Act permits the Board, by resolution, to establish guidelines under which the Greater Vancouver Transportation Authority (Authority) will reimburse its directors for expenses and pay fees to its directors and to the chair of the Board; and

WHEREAS it is deemed expedient to establish initial guidelines to govern reimbursement by the Authority to its directors for expenses and to govern payment of fees by the Authority to its directors and the chair of the Board;

NOW THEREFORE the Board of Directors of the Greater Vancouver Transportation Authority, in open meeting assembled, RESOLVES to adopt the Guidelines for Payment of Remuneration and Expenses which are attached as *Schedule A* to this Resolution, which Guidelines for Payment of Remuneration and Expenses will be in effect on and after October 29, 2003.

DATED this 29th day of October, 2003.

SCHEDULE A
TO RESOLUTION DATED OCTOBER 29, 2003
TO ADOPT GUIDELINES FOR PAYMENT OF REMUNERATION AND EXPENSES OF DIRECTORS AND ADVISORY COMMITTEE MEMBERS OF GREATER VANCOUVER TRANSPORTATION AUTHORITY

Interpretation

1. In these guidelines:

"Act" means the Greater Vancouver Transportation Authority Act;

"Advisory Committee Member" means a member of a committee appointed pursuant to subsection 6(2)(e) of the Act to provide the authority with advice respecting its transportation services and systems;

"Authority" means the Greater Vancouver Transportation Authority;

"Board" means the Board of Directors of the Greater Vancouver Transportation Authority;

"Committee" means a committee of Directors of the Board established by the Board;

"Director" means a member of the Board appointed pursuant to either of subsections 8(3) or 8(4) of the Act;

"GVRD Appointed Director" means a member of the Board appointed pursuant to subsection 8 (3) of the Act;

Guidelines for Payment of Board Chair

2. The Authority will pay the Chair of the Board (if a GVRD appointed director) the sum of Three Thousand Three Hundred Thirty Four Dollars ($ 3,334) per month for fulfilling his or her duties as Chair and Director.

Guidelines for Payment of GVRD Appointed Directors

3. Subject to the additional guidelines set out in Section 5, the Authority will pay a GVRD appointed director (other than the Chair) the sum of Two Hundred Dollars ($200.00) per meeting for attending a meeting of the Board, a meeting of a Committee of the Board of which that director is a member or any other event as may be directed or approved by the Board or Committee, as the context requires.

Payment of Committee Chairs

4. The Authority will pay any GVRD appointed director serving as a Chair of any Committee of the Board, in addition to the remuneration provided for above, the sum of Two Hundred Dollars ($200.00) per month.

   Subject to the additional guidelines set out in Section 5, the Authority will pay a Committee Chair or the designate of a Committee Chair a per-meeting fee of Two Hundred Dollars ($200.00) per meeting in the following circumstances:

   a) for events or occasions which the Committee Chair or his or her designate attends as an official representative of the Board, including but not limited to, the official opening of facilities such as transit centers, a public event sponsored by a Committee, or such other events or occasions as may be specifically approved by the Chair; and

   b) for meetings with staff and/or the Chair or other Directors which the Committee Chair or his or her designate attends as an official representative of the Committee, which involve substantive policy discussion.

Additional Guidelines for Payment

5. In determining the remuneration to be paid to GVRD appointed directors for meetings as authorized pursuant to Sections 3 or 4, the following additional guidelines shall apply:

   (a) If a GVRD appointed director attends one or more meetings on any one day which last more than 15 minutes the Authority will pay that director $200 for attending each such meeting;

   (b) If a GVRD appointed director attends a meeting which lasts four hours or more, the Authority will pay that director $400 for attendance at that meeting; and

   (c) If a GVRD appointed director attends any meeting that lasts less than 15 minutes, the Authority will only pay that director for attending such meeting where the director was not required to attend another meeting at the same location within four hours of such meeting.

Payment for Expenses

6. (a) One third of the fee payments made to directors provided for in sections 2 to 5 of Schedule A to the Greater Vancouver Transportation Authority Resolution shall be paid as an allowance for expenses incurred incidental to the discharge of duties.

Guidelines for Payment of Travel and Incidental Expenses Actually and Properly Incurred

7. The Authority will reimburse directors for expenses incurred while engaged in the business of the Board outside of the boundaries of the Authority as follows:

   1) Where such a trip is of one day's duration or less the Authority will pay a director for reasonable actual out-of-pocket expenses actually and properly incurred in connection with the trip.

   2) Where such a trip is of more than one day's duration, the Authority pay a per diem allowance of Sixty Dollars ($60.00) to a director for travel within Canada or a per diem allowance of Eighty Five Dollars ($85.00) to a director for travel outside of Canada, and will reimburse such director for reasonable out of pocket expenses actually and properly incurred in connection with the trip for economy air fare, ground transportation, hotel accommodation and conference or meeting registration fees where applicable.

8. The Authority will reimburse those directors that are required to travel from outside the transportation service area to attend meetings of the Board or Committees for reasonable travel and incidental expenses actually and properly incurred.

9. The Authority will reimburse members appointed to Advisory Committees under subsection 6(2)(e) of the Act for reasonable travel and incidental expenses actually and properly incurred by these members in the discharge of their duties.

Formula for Making Annual Adjustments to Board and Committee Remuneration

10. Commencing January 1, 2004, the amounts payable under sections 2, 3, 4, and 5 to the Chair, Committee Chairs and directors and committee members will be adjusted annually in accordance with the change in the Vancouver Consumer Price Index for the immediately preceding year.

Reviewed by Finance & Audit Committee on October 15, 2003

To: GVTA Board of Directors

From: Sheri Plewes, Vice-President, Capital Management and Engineering

Date: October 1, 2003

Subject: **2003 Capital Program Projects - Specific Project Approval**

***Staff Recommendation*:**

That the Board provide Specific Project Approval for the following capital projects:

- Custom Transit Vehicle Expansion 2004: Budget: $820,000
- Pattullo Bridge Rehabilitation Program Phases 1 & 2: Budget: $10,700,000
- Intelligent Transportation System Program – Studies; with delegation of approvals for ITS studies not exceeding $200,000 to the CEO or designate.

PURPOSE

To obtain Step 2 Specific Project Approval for two capital projects and for studies within the ITS Program.

BACKGROUND

The 2003 Program Plan and Budget was approved by the TransLink Board of Directors at its regular meeting of December 11th, 2002. The Budget established the capital program envelope for 2003 and Step 1 Approval in Principle was received for the 2003 Capital Program projects in December 2002.

To release project funds, individual projects must receive Step 2 Specific Project Approval from the Board. Prior to requesting Specific Project Approval, detailed project justifications and work plans for each project are completed and reviewed. Separate project justifications are not required for revenue vehicle procurements, or for capital programs comprised of multiple projects that are presented and approved as part of the annual Program Plan and Budget.

DISCUSSION

Specific Project Approval is requested for the following capital projects. A comparison of the proposed expenditures versus Approval in Principle estimates is provided below where applicable.

1. **Custom Transit Vehicle Expansion 2004: Budget: $820,000**

   This project involves the procurement of eight custom transit vehicles to expand the HandyDART fleet and meet the increasing demand for HandyDART services. The vehicle expansion will support the improvement of customer service by reducing the high number of unmet trips, currently a major source of dissatisfaction for HandyDART registrants. The 2004 fleet expansion was approved in the 2003 Program Plan and Budget so that the expanded service could begin in early 2004. The lead-time required for vehicle delivery is estimated between 4 to 8 months from Award of Contract.

   The following scope of work is proposed:

   1. Prepare vehicle specifications and contract documents;
   2. Procure four microbuses for delivery by February 2004;
   3. Procure four midibuses for delivery by February 2004;
   4. Prepare vehicles for service; and
   5. Deliver vehicles to HandyDART contractors.

   The following budget is proposed for the Custom Transit Vehicle Expansion 2004 project:

Approval Stage	Total
Approval in Principle	$ 730,000
Specific Project Approval	$ 820,000
Increase/(Decrease)	$ 90,000

   The increase in budget since the Approval in Principle stage is due to further refinement of cost estimates based on contract option pricing. The revised budget reflects actual vehicle costs for similar vehicles procured in 2003, with allowances for known price increases and expected inflation.

2. **Pattullo Bridge Rehabilitation Program Phases 1 & 2: Budget: $10,700,000**

   This project is for improvements to the main spans of the Pattullo Bridge, including repair of current deterioration, protection of steel against corrosion and selective strengthening of members to increase support for current vehicle loads.

   The Pattullo Bridge, now 65 years old, was one of three structures devolved from the Provincial Government to TransLink through an Order in Council. In March 1999, in preparation for the transfer of ownership, the Province completed a

condition assessment and rehabilitation study of the Pattullo Bridge. The study outlined a rehabilitation plan to maintain the function of the bridge, and estimated the total cost of the work at over $34 million. At the November 2001 Board meeting, the *Update on the Rehabilitation Needs of TransLink-Owned Structures* report was presented for information. This report outlined a proposed five-year rehabilitation program for the Pattullo Bridge to proceed generally as follows:

Phase 1: Urgent rehabilitation needs – painting bottom chords and critical bracing repairs
Phase 2: Painting steel spans (Yr 1)
Phase 3: Painting steel spans (Yr 2)
Phase 4: General rehabilitation
Phase 5: Seismic rehabilitation

Approval in Principle for Phases 1 and 2 of the Pattullo Bridge Rehabilitation Program were approved as part of the 2002 Capital Program ($2.69 million) and the 2003 Capital Program ($6.49 million) respectively, for a total of $9.18 million. Preliminary investigative and analytical studies were completed using Minor Capital Account funding. These investigations indicated that the bridge is in fair overall condition, and has no major structural deficiencies: however, the condition of some important elements are rated as poor to very poor:

- The paint on virtually all steel bridge elements below the deck has either completely failed or is extremely brittle. Paint forms a barrier to air and moisture, thereby preventing corrosion and deterioration of steel members. Paint restoration is urgently required to avoid serious deterioration and to protect the integrity and safety of the bridge.
- Corrosion damage on some steel elements has resulted in the need for member strengthening or replacement in order to avoid widespread corrosion damage that would be more costly and difficult to repair.
- Vehicle load analysis revealed some truss verticals and diagonals that are deficient in load carrying capacity for current vehicle loads. These vertical and diagonal truss members require strengthening to minimize the likelihood of serious damage to the bridge arising from currently regulated truck traffic.

These studies also concluded that combining the work by bridge section would be more effective than by grouping the work by elements or by repair procedures, due to the significant mobilization required for each phase of work, and the extent of overlap in the areas to be repaired. The main spans of the bridge (the 350-450-350 foot spans near the bridge centre), comprising nearly half of the overall steel truss length, are recommended to be completed first. Phases 1 and 2 are therefore now combined as a single project with the following proposed scope of work:

- Complete sandblast removal of all paint on steel below deck and re-application of zinc-rich primer followed by an epoxy mastic intermediate coat and a urethane finish coat;
- Sandblasting, priming and addition of penetrating epoxy sealer to crevice corrosion;

- Strengthening of above deck vertical and diagonal truss members at approximately twelve locations;
- Strengthening of below deck vertical and diagonal truss members at approximately five locations;
- Repair of bracing laterals and removal of corrosion on jacking beams;
- Replacement of corroded rivets and gusset plates on selected floor beams;
- Local sandblasting of the deteriorated sections of the slab underside and painting of exposed reinforcement with epoxy; and
- Non-structural improvements such as strengthening traffic rail end posts, improving inspection access and diverting drainage water at deck openings.

The work required on the secondary spans will be proposed as Phase 3 of the rehabilitation program as part of the 2004 Capital Program. The remaining project phases will be proposed within the 2005-2007 Three Year Transportation and Funding Strategy.

The following budget is proposed for the Pattullo Bridge Rehabilitation Program Phases 1 & 2:

Approval Stage	Total
Approval in Principle	$ 9,180,000
Specific Project Approval	$ 10,700,000
Increase/(Decrease)	$ 1,520,000

The increase in budget since the Approval in Principle stage is due to the requirements identified from the engineering and design work completed using $378,000 in funding from the Minor Capital Account. The primary reasons for the increase in budget are outlined below:

- The paint has deteriorated to the extent that sandblasting and full re-coating of paint is required rather than selective re-coating. A detailed assessment of the paint condition was required to determine this.
- Detailed vehicle load analysis revealed truss verticals and diagonals that were deficient in load carrying capacity for current vehicle loads. This resulted in an increase in the number of members requiring strengthening to satisfy code-specified structural safety requirements compared to the original estimate.
- Underside slab deterioration requiring repair has been added to the scope of work to take advantage of ease of access during paint application; and
- Repair of corroded traffic rail post bases has been added to the scope of work.

3. Intelligent Transportation System Program - Studies

Intelligent Transportation Systems (ITS) involve the application of computer, communications, control and information technologies to improve the operation, safety and air quality of the transportation network.

In March 2000, the Board gave Approval in Principle for $2 million in capital funding for the ITS Program. The ITS Corporation completed the *Provincial ITS Vision and Strategic Plan* which was endorsed by the Board in April 2002. This *Plan* provides a strategic direction for the deployment of ITS projects with a coordinated and integrated approach.

To date, the Board has provided Specific Project Approval for ITS initiatives with a total funding approval of $760,000. The scope of the approved projects has primarily been to produce business cases and feasibility studies that would be used for future system implementations. Examples of previously approved studies include:

- 98 B-Line Rapid Bus Evaluation
- IMS Regional Business Case Development (Smart Card)
- Electronic Payment Study
- Regional Advanced Traveler Information System – Business Case
- Smart Bus Research & Feasibility Study

It is typical for multiple partners to be involved in, and to contribute funds to, most of the ITS projects. Achieving multi-agency consensus and funding agreements, and coordinating ITS and TransLink Board approvals, can be a challenging and time consuming process. While this is a necessary process for projects of significant scope or budget, implementing a streamlined process for smaller scope projects would be beneficial.

TransLink's contributions to the ITS studies approved to date have ranged from approximately $50,000 to $200,000. Staff recommend that the Board delegate approvals for ITS studies not exceeding $200,000 to the CEO or designate, with funding to be taken from the remaining ITS Program budget of $1,240,000. Contributions exceeding $200,000 would still require Specific Project Approval from the Board. All new capital projects initiated in the previous quarter, including studies, are highlighted in the Quarterly Capital Project Summary Report.

CONCLUSION

Staff recommend that the Board approve funds totaling $11,520,000 for the two capital projects described in this report. Staff also recommend that the Board delegate to the Capital Management Committee approvals within the ITS Program's funding envelope for ITS studies not exceeding $200,000. The Step 2 Specific Project Approval budget for these projects is $1,610,000 more than the Approval in Principle budget.

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CEO
Pat Jacobsen

To: GVTA Board of Directors

From: Glen Leicester, Vice President Planning

Date: October 20, 2003

Subject: **January-August 2003 Transit Ridership**

Staff Recommendation:
That the GVTA Board of Directors receive the report dated October 20, 2003, titled "January-August 2003 Transit Ridership" for information.

PURPOSE

The purpose of this report is to provide a summary of TransLink's transit ridership performance during the first eight months of 2003.

BACKGROUND

TransLink estimates and reports the number of customer trips, or revenue rides, taken on its transit services every month. Ridership is measured separately for each of the main transit modes: bus, SeaBus, SkyTrain and West Coast Express. The ridership figures are continually compared to previous years and to the budget targets for the current year to identify key trends and the actual performance versus budget.

For the first eight months of 2003 (January-August), TransLink projected in its 2003 Budget that total ridership would grow by 4% compared to the same period in 2002, mainly due to new customers attracted by the opening in September 2002 of the full Millennium SkyTrain Line, improvements to connecting bus services and the continued recovery from the service disruption in 2001.

DISCUSSION

The following table compares ridership levels by transit mode in January-August 2003 with the same period in 2002, and with the budget projections contained in the 2003 Transportation Plan approved by the Board in December 2002. The key trends in ridership overall and for each mode are described below.

Ridership Comparison (Revenue Passengers in Millions)					
	Jan.-Aug. 2002	*Jan.-Aug. 2003 Budget*	*Jan.-Aug. 2003 Actual*	*% Change 2003 vs. 2002*	*% Difference 2003 Actual vs. Budget*
Bus	62.10	61.07	68.10	9.7%	11.5%
SkyTrain	18.26	22.59	22.25	21.9%	-1.5%
SeaBus	1.71	1.76	1.68	-1.8%	-4.5%
West Coast Express	1.17	1.15	1.14	-2.5%	-0.8%
Total Transit	**83.24**	**86.57**	**93.17**	**11.9%**	**7.6%**

Total Transit

Total transit ridership increased by close to 12% in the first eight months of 2003 compared to the same period a year earlier, and was 7.6% over budget. This strong growth is attributed to a combination of factors including:

- New customers attracted by the September 2002 opening of the Millennium Line, increased service on the Expo Line and improved service on bus routes connecting with SkyTrain;
- Other bus service improvements implemented in 2002 (e.g., increased B-Line service and improved frequency on other busy routes);
- An increase in the proportion of customers purchasing monthly passes and using them to make more transit trips per month; and
- Full recovery from the impacts of the service disruption in 2001 and the fare increase in 2002, which dampened ridership in the first half of last year.

Bus

Ridership on bus services was up by 9.7% in the first eight months of 2003, and was 11.5% higher than budget. This is a significant improvement over the forecast where bus ridership was expected to remain relatively stable due in part to diversion of passengers to SkyTrain. It also reverses several years of stable or declining ridership on the bus system.

Bus ridership increased in all parts of the region, with the largest percentage growth observed in Richmond (19%) followed by Burnaby/New Westminster and the South of Fraser area. This increase is attributed to the increased usage of monthly passes which has promoted increased trip making, to the bus service improvements implemented in 2002 and the full recovery from the service disruption in 2001 and the fare increase in 2002.

SkyTrain

SkyTrain ridership grew by 22% in January to August 2003, which was just slightly below the budget target. This increase is a result of the opening of the full Millennium Line service to Commercial Drive Station in September 2002, combined with an increase in passenger capacity on the Expo Line. In addition the freezing of the monthly pass price in 2002 has resulted in greater use of the pass and resulted in additional trips being taken on the system.

SeaBus

SeaBus ridership declined by 1.8%, or 4.5% below budget, due in part to continuing slow regional tourist activity.

West Coast Express

Ridership on West Coast Express in the first eight months of 2003 was 2.5% below the 2002 level, but very close to the budget target. This small decrease is due in part to the introduction of the Millennium Line, which has provided an alternative for some travel to/from the Northeast Sector. The loss is less than anticipated with the opening of the Millennium Line.

2003 Revised Projection

Based on the observed ridership levels during the first eight months of 2003, TransLink now anticipates that transit ridership for the full year will be between 140 million and 141 million revenue rides – an increase of 9% over the 2002 level of 128.6 million. This would represent the largest yearly transit ridership increase experienced in the region since 1986 when SkyTrain opened, exceeding the 7% ridership growth in 1995. The forecast includes an expected gain of approximately one million revenue passengers in September to December 2003 from the introduction of the U-Pass Program and the associated bus service improvements at the University of British Columbia and Simon Fraser University.

CONCLUSION

Transit ridership in Greater Vancouver showed strong growth of 12% in the first eight months of 2003 compared to the same period in 2002. While some of the increase can be attributed to new customers using the Millennium and Expo SkyTrain lines and enhanced bus services connecting with SkyTrain, other bus service improvements introduced in 2002 and more customers using monthly passes have also contributed to the ridership growth. Moreover the year over year numbers from January to August reflect the full recovery from the service disruption and fare increases which dampened ridership in 2002. With the introduction of U-Pass, TransLink projects annual ridership in 2003 to reach 140 million compared to a forecast of 135 million.

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To: GVTA Board of Directors

From: Glen Leicester, Vice-President, Planning

Date: October 20, 2003

Subject: Lake City Way Station - Update

Staff Recommendation:
That the GVTA Board of Directors receive the report dated October 20, 2003, titled "Lake City Way Station – Update" for information.

PURPOSE

The purpose of this report is to provide the Board with an update on the new Lake City Way Station under construction on the Millennium Line in Burnaby.

BACKGROUND

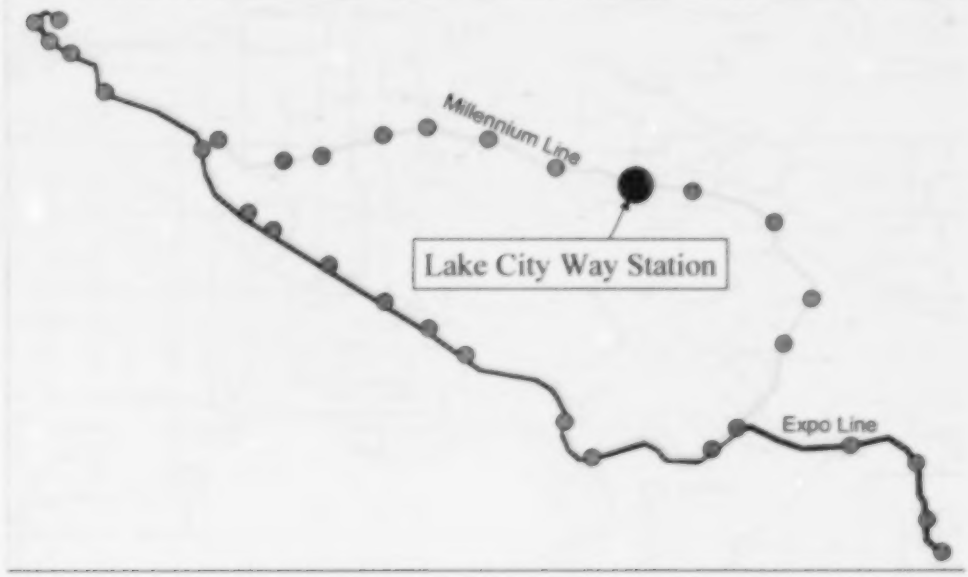
The Millennium Line provides SkyTrain service from New Westminster, through Central Burnaby to East Vancouver connecting Columbia Station in New Westminster with Broadway/Commercial Drive Station in Vancouver.

Construction began in 2000. The first segment opened in late 2001, connecting Columbia Station with Sapperton Station and Braid Station. As part of the opening, many of the Northeast Sector bus routes were redirected from New Westminster Station to the new Braid Station. The next phase of the Millennium Line opened in September 2002 along with nine additional stations. Two additional stations have yet to open – Lake City Way in Burnaby and Vancouver Community College (VCC) in Vancouver. This report deals with the opening of the Lake City Way Station.

DISCUSSION

The Lake City Way Station work has been progressing since the Millennium Line opened and is now nearing completion. The planned opening date of the new station is now set for November 21, 2003.

Lake City Way Station is located between Production Way-University Station and Sperling-Burnaby Lake Station and just north of Lougheed Highway at Lake City Way.



The new station is located in the southwest corner of the Lake City Business Centre neighbourhood. As such, ridership through the station is anticipated to primarily serve the local businesses nearby. Burnaby's Official Community Plan plans to transform the current land use of warehousing, manufacturing and distribution to a high quality office business park. Over time, it is expected that an increasing proportion of trips to and from the Business Centre will be made on public transit through Lake City Way Station. While initially ridership at the station is projected to be quite low, the station has been built to shape future development in the area.

In conjunction with the opening of the Millennium Line in September 2002, the bus network in North Burnaby, New Westminster and the Northeast Sector was completely redesigned to integrate with the new stations along the line. With the opening of the new Lake City Way Station, there are no plans to further revise the route network.

Bus route #134 Lougheed Station/Brentwood Station currently operates through the Lake City Business Centre and just past the northeast corner of the station along Enterprise Street and Lake City Way.

Bike racks and lockers will be provided to encourage transit and cycling use and a small automobile drop off and pick up area will also be provided at the station.

A community event marking the opening of the new station is planned on November 21, 2003.

With the opening of the Lake City Way Station, there remains one station on the Millennium Line to be completed. The Province advises that construction will start on the Vancouver Community College station in the near future and construction will be completed in 2006.

CONCLUSION

The new Lake City Way Station is set to open on November 21, 2003. The station will facilitate more intensive development in the adjacent Lake City Business Park supporting land use plans in Burnaby.

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To: GVTA Board of Directors

From: Glen Leicester, Vice-President, Planning

Date: October 15, 2003

Subject: American Public Transportation Association – Intermodal Operations Planning Workshop 2004

Staff Recommendation:
That the GVTA Board of Directors receive the report dated October 15, 2003, titled "American Public Transportation Association – Intermodal Operations Planning Workshop 2004" for information.

PURPOSE

The purpose of this report is to advise the Board of an American Public Transportation Association (APTA) planning workshop to be held in Vancouver August 9 – 11, 2004.

BACKGROUND

Each year APTA, of which TransLink is a member, holds a workshop for transit planning professionals. The *Intermodal Operations Planning Workshop* is for transportation planners, engineers and consultants from larger cities that have multi-modal transit systems. At the workshop delegates present developments in planning, projects and technologies of note, emerging trends and other issues that affect the development of effective public transit. In recent years this workshop has been held in New York, Los Angeles, Montreal and a number of other large North American cities. Past workshops have seen attendance of 130 to 150 delegates.

DISCUSSION

The selection of Vancouver for the 2004 Workshop is based in part on an interest in many of the successful aspects of Vancouver's multi-modal transit system including the SkyTrain Millennium Line, B-Line program, marine transit and the trolley bus system.

As host system, TransLink's responsibilities are relatively few. In addition to a message of welcome from the Board Chair, TransLink and its operating subsidiaries will host technical tours of facilities of interest, staff will present information about projects of note in the region and staff will attend the sessions. TransLink, in accordance with past practice, is asked to provide transit passes to delegates for the week of the workshop.

CONCLUSION

The 2004 APTA Intermodal Operations Planning Workshop is an exciting opportunity to showcase some of TransLink's successful transit projects to planning professionals throughout North America.

4.15

To: Translink Board of Directors

From: Michael Drummond, Manager Public Consultation

Date: October 22, 2003

Subject: Summary Notes of the October 7, 2003 Urban Transportation Forum

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Staff Recommendation:

That the Board receive this report for information

Purpose

To provide the Board with an overview of the third Urban Transportation Forum held on October 7, 2003 at the Morris J. Wosk Centre for Dialogue in Vancouver.

Discussion

The Urban Transportation Forums were intended to help guide development of TransLink's Long Range Transportation Plan. The first and second Forums focused on identifying the main issues facing the region and began to highlight regional capital priorities.

The purpose of the third Urban Transportation Forum was to solicit feedback from our stakeholders on the 10-year outlook and 3-year financial strategy document that was presented to the Board on October 1, 2003. The discussion was divided into two segments. The first segment solicited feedback on the 10-year outlook. The second segment solicited feedback on the 3-year funding strategy. The use of small breakout groups helped stimulate plenty of discussion, especially with those who some times feel intimidated in a large plenary style environment.

Conclusion

The Third Urban Transportation Forum was well received by the participants. It generated a significant amount of feedback on the10-year outlook and 3-year financial strategy. The summary notes for Forum #3 are attached and provide a good overview many of the points raised during the day.

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Conclusion

The Third Urban Transportation Forum was well received by the participants. It generated a significant amount of feedback on the10-year outlook and 3-year financial strategy. The summary notes for Forum #3 are attached and provide a good overview many of the points raised during the day.

Notes of **TransLink's Urban Transportation Forum** held 9:09 a.m. to 3:15 p.m. on Tuesday, October 7, 2003, at the Morris J. Wosk Centre for Dialogue, 580 West Hastings Street, Vancouver, British Columbia, prepared for TransLink by Raincoast Ventures – The Minute Taking Professionals.

CALL TO ORDER

Kevin Evans, Facilitator, called the forum to order to 9:09 a.m. Mr. Evans welcomed attendees, and introduced Mayor Doug McCallum, Chair of the TransLink Board of Directors.

OPENING COMMENTS

Mayor Doug McCallum, Chair of the TransLink Board of Directors, thanked attendees for their participation. He offered that it was time to move forward in building a better transportation system in the Lower Mainland, and noted that draft transportation and financial plans would be presented for consideration at the forum.

Chair McCallum commented that there had been a 12% increase in transit ridership in the region over the previous year, noting that only Vancouver and Calgary had enjoyed an increase in comparison to urban centers across Canada. It was clarified that these figures did not include the introduction of the U-Pass and other programs that were anticipated to increase ridership further still.

Information was also provided on results of the most recent external survey of the general public regarding support for TransLink. It was offered that the figure had been climbing at each survey (conducted every three months), from a start point of 30% to today's 70% figure, one of the highest in Canada. Chair McCallum noted that this indicated public support for the direction that TransLink was taking in terms of its transportation system.

Chair McCallum indicated that the 10-year transportation plan that would be presented at the forum was as a result of the feedback received at the previous two forums and from consultations with the public. It was offered that the plan included significant expansion of the transportation system, including a new Fraser River crossing, rail improvements, quicker road construction, and expansion of the bus system. Chair McCallum advised that, in order to do the expansion, it was necessary to secure the budget needed, and expressed appreciation to TransLink staff for their efforts to increase efficiencies and to achieve a small budget surplus.

Chair McCallum offered that together, it was possible to build one of the most efficient and effective transportation systems in the World. He noted that the Lower Mainland was one of the few urban areas with an integrated transportation system that considered transit and transportation needs, and that this was of interest to many organization's World Wide.

TRANSPORTATION PRESENTATION

Glen Leicester, Vice President, Planning, referencing an overhead presentation titled "Keeping Greater Vancouver Moving" concerning the 10-Year Outlook and 3-Year Financial Strategy, discussed:

- vision for a transportation future;
- purpose of the Outlook and Strategy;
- current 3-Year Financial Strategy highlights;
- challenges of the Lower Mainland's growing region, particularly congestion;
- key objectives to:
  - make transit a real option with more access for students and commuters; expanded capacity, use of waterways and cycling program; and renewal of aging infrastructure;
  - reduce gridlock through priority road projects;
  - maximize economic potential;
  - maintain and enhance the environment with a 2013 shift to transit expansion of bus/rail; and support of air quality objectives;
  - share benefits and costs equitably;
- summary of the 2004-2013 Potential Capital Program;

- summary of proposed funding sources;
- summary of capital and operating reserves;
- overview of the benefits of investments; and
- overview of options to get involved.

ECONOMIC IMPACT OF THE 10-YEAR OUTLOOK

Michael Tretheway, InterVISTAS Consulting Inc., referencing an overhead presentation, commented regarding the economic impact of the GVTA 10-Year Outlook. Information provided included:

- overview of the definition of "economic impact" and of common ways for measuring it;
- types of impacts measured: construction impacts; incremental ongoing operating and maintenance impacts; and impacts of regional economic development;
- anticipated direct, indirect and induced construction, and operating and maintenance impacts relative to employment (person years), Gross Domestic Product (GDP) ($ million), and economic output ($ million);
- anticipated regional economic development impacts related to:
  - business location decisions; and services industries seeking locations with high quality of life;
  - provincial roads gateway program;
  - streamlined border crossing program; and
  - transit investment program.

QUESTION PERIOD AND SMALL GROUP EXPLANATION

Kevin Evans, Facilitator, invited attendees' comments and questions regarding the presentations provided.

- Dave Park, Vancouver Board of Trade, noted that the documentation provided indicated that the 10-year improvements would result in a 5% increase in vehicular speed compared with the situation if not improved. He asked whether there had been any attempt to estimate that value in terms of transportation efficiency.

  - Clive Rock, GVTA, responded that some economists looked at the value of time to individuals in their calculations, and suggested that, if TransLink did that, it would be a significant number. He offered that people typically placed a value of $10-$15/hour on their time and noted that, using this formula, saving the commuter 5-10 minutes every day would add a lot of value very quickly.

- Craig Heale, BC Coalition of Motorcycles, noted that the 10-Year Plan did not include mention of power two-wheelers, and asked when provisions for them would be made in the Plan.

  - Glen Leicester, GVTA, offered that the general public did not place an emphasis on considering motorcycles in a different way and as such, there were no plans to consider measures specifically for them in the 10-Year Outlook.

- Alan Herbert, SPEC, questioned whether there was a structure in place to allow discussion between key stakeholders in the transit system, i.e. the two ports, airport, railroad, Gateway Council, Tourism Vancouver, etc., to enable them to discuss these matters in a frank way.

  - Clive Rock, GVTA, responded that there were several focus groups for dialogue, including the Gateway Council of which the GVTA was a member. He supported its possible expansion, and offered that there was ongoing informal dialogue and work with key stakeholders in the process.

  - Bob Paddon, GVTA, further reported that a Roundtable discussion group had been convened to pull together issues and to develop a package that could be supported. He noted that the Roundtable would report its findings later in the year prior to any decisions being considered by the Board.

- Norm Blain, Burnaby Board of Trade, asked whether there was an intention to introduce sunset clauses on any tax increases contemplated, or whether they would be continued with no plans for their reduction or elimination.

- Chair McCallum responded that any increases in taxes would have to be justified, and offered that taxes could be decreased if they were not needed, i.e. as in the case with regard to air care fares. It was further offered that the tolling policy was very sensitive in the public, and was clarified that the new Fraser Crossing would be financed by tolls until the debt was retired and finished. Also, it was noted that there were no specific sunset clauses in the current 10-year plan but that they could be built into the 20-year plan. The need to base transportation policies on a secure financial strategy and solid funding commitments was recognized.

- John Cummings, MP, Delta South Richmond, asked whether attempts to quantify the economic benefits to the Fraser port, ports of Vancouver and the airport had been undertaken. It was offered that it would provide a good argument for ongoing funding based on the improvements to these federally mandated options.

    - Michael Tretheway, InterVISTAS Consulting Inc., indicated that there had been separate studies relative to the airport and port, but that the findings had not been linked to this 10-year program. Confirmation was provided that this seemed a logical next step, noting that the existing transportation system would be challenged to support the airport's expansion, and that a dramatic increase in the number of containers could only be realized through transportation system improvements.

- Bernie Magnan, Vancouver Board of Trade, expressed support for goods movement to be linked with transit and commented on the need to improve the road network. He offered that there were many individuals providing essential services, i.e. contractors, trades people, couriers, etc., that needed to be moved around and emphasized the need to be cognizant of that reality in the plan.

    - Glen Leicester, GVTA, offered that the concern raised was implicit in the plan but acknowledged that it could be clarified.

    - Michael Tretheway, InterVISTAS Consulting Inc., noted that there was recognition that the effective movement of people on the job was critical for the region to remain competitive as a location for businesses (75% of which are services businesses).

1ST SMALL GROUP BREAK-OUT SESSION: DISCUSSION PAPER

Attendees were divided into 12 small group break-out sessions to consider the following questions:

1. Based on your current understanding of the plan, do you support the measures being proposed to meet these objectives?
2. As a member of your company or interest group with an "insiders" understanding of the issues, what do you think of the measures being proposed?
3. As a member of the community, how will your family, friends and neighbours react to the proposals?

QUESTIONS

Given that the report from the break-out sessions was not yet available for presentation, Kevin Evans, Facilitator, invited further comments/questions from attendees. Feedback included:

- Councillor Bob Bose, City of Surrey, queried whether there was some effort to consider waterway/rails in the plan, and encouraged an integrated process in the development of the plan.

- Bob Wilson, Gateway Council, reported on a comprehensive study underway to look at the corridors to the inner harbour and to the Delta Port including potential replacement of some bridges. He clarified the study did not include the Arbutus line at this time, and confirmed that the City of Vancouver was involved in the consultation.

    - Clive Rock, GVTA, offered that the railways were more provincially and federally mandated but that there was a strong interest in these as part of the overall picture. He noted that work in this regard would be reflected in subsequent materials.

- Chair McCallum added that there was recognition that a plan for the region needed to include rail, highways, and ferries, and that, even though the GVTA did have the legislative authority to deal with these, they needed to be addressed in the vision.

- Alan Herbert, SPEC, suggested that the Arbutus corridor extension from Marpole to New Westminster (and connecting with other lines) could be key to any network of transit for the region.

- Craig Heale, BC Coalition of Motorcyclists, requested a list of the dates and times for next Board meetings and consultation.

  - Bob Paddon, GVTA, responded that a list would be provided and indicated that public meetings were scheduled October 29, 2003 and through November 2003.

REVIEW 1ST SMALL GROUP DISCUSSION POINTS

Stephen Rees, GVTA, referencing an overhead presentation, reviewed common themes identified in the 12 small group break-out sessions, including:

- overall the plan is a big improvement but we must start now;
- don't wait for federal funding;
- skeptical regarding the extent to which congestion would be relieved;
- there is no specific commitment to reduce greenhouse gas emissions;
- concern over P3s – and potential impact of RAV costs
- taken for granted that the system will be safe and in good working order;
- regional land use: need to clearly link to land use; transit service improvements serve existing demand but will not shape; need for better regional connections;
- stakeholder views: nothing for motorcycles, not enough buses, more bus priority measures, good start for freight;
- reaction of the community: lack of understanding of what transportation costs; people willing to pay if they see the benefits for themselves;
- what was missed:
  - insufficient emphasis on transportation demand management;
  - protection of the bus system;
  - what are the criteria for project selection?;
  - develop partnerships;
  - park and ride should be addressed;
  - did not address role of senior governments and their projects;
  - accountability;
  - need to address risks;
  - what happens after 2007 without federal funds; and
  - champion ourselves.

Kevin Evans, Facilitator, offered attendees an opportunity to provide their comments relating to the presentation. Comments offered included:

- Bob Wilson, Gateway Council, suggested that consideration should be given to the major road network.

- Jack Davidson, President, BC Road Builders and Heavy Construction Association, suggested that TransLink should take the thought that there had been "too far a swing to roads" with a grain of salt, offering that there was a transit prejudice to the forum attendees, and that TransLink had not gone far enough in looking after business.

- Robin Nichols, GVTA, offered that there was a need for rationale for capital choices, i.e. why was there a priority for the northeast sector compared to rapid transit.

- Mark Alison, City of New Westminster, encouraged TransLink to take the step of having high priority vehicle lanes for goods movement and buses.

- Craig Heale, BC Coalition of Motorcyclists, offered suggestion that overall traffic signal synchronization should be revamped to favour the major roads, and offered that many cities had mandated or given tax concessions to companies to shift their workweeks off of the Monday-Friday schedule.

2ND SMALL GROUP BREAK-OUT SESSION: FUNDING

Attendees were divided into small group break-out sessions to consider the following questions:

1. Do you think the three funding sources identified represent a fair distribution of who pays between transit users, other road users and the general public?
2. There are two options available for a parking tax:
   i) TransLink is proposing to increase the existing sales tax colleted from pay parking from 7% to 21%;
   ii) create a new parking area or stall tax that would be applied to all off-street parking across the region.

   Which option would you prefer?
3. Are increases in transit fares to account for inflation reasonable to help pay for increased services?
4. Is it reasonable to increase property taxes to raise the remainder of the funding necessary for these proposed improvements?
5. As a taxpayer who will pay a share of the costs, what is the fairest and most feasible way to fund these transportation improvements?

REVIEW 2ND SMALL GROUP DISCUSSION POINTS

Stephen Rees, GVTA, referencing an overhead presentation, reviewed common themes identified in the small group break-out sessions in response to the distributed questions as follows:

Question 1

- balanced approach, there may be other sources;
- should compare to other Canadian cities;
- missing inflationary increase in gas tax;
- education needed – businesses contribute through taxes, not just homeowners;
- not clear on where 2013 shortfall will be addressed.

Question 2

Option 1:

- easier to implement;
- transparent;
- concern regarding equity;
- will make regional business parks more attractive;
- concern: doesn't capture all off-street parking or affect on-street parking.

Option 2:

- difficult to implement;
- seems more equitable;
- positive impact on controlling sprawl;
- uncertain as to revenue potential;
- concern regarding hidden costs – no TDM value;
- concern that it may unduly affect small businesses.

Preferred Option:

- both have advantages/disadvantages;
- effective TDM measure;
- need a blended approach;
- need to clearly define how any parking revenue will be raised;
- need to educate people regarding why there should be a tax – what are the benefits?;
- express as dollar value not percentage.

Question 3:

- fair approach;

- consider deferring to see if increased service raised ridership;
- role for federal government in funding all transit infrastructure;
- concern regarding impact on ridership;
- concern regarding impact on low-income and transit dependant.

Question 4:

- easiest to implement;
- competition with other service providers;
- concern re impact on fixed-income;
- need to better position transportation as a social benefit;
- taxation vs. representation.

Question 5:

- transit fine enforcement and collection;
- Vehicle Levy doesn't look so bad;
- someone else should pay;
- insurance by distance;
- transparency/accountability/dedicated to area transportation;
- user pay.

What have we missed?

- alternatives to federal funding after 2007;
- Transportation Trust;
- how we compare to other systems.

DISCUSSION PERIOD ON SESSION SUMMARIES

Kevin Evans, Facilitator, invited attendees to add their comments regarding the small group break-out session reporting, noting that attendees were also invited to prepare their own submissions for the consideration of the Board. Comments offered included:

- Alan Herbert, SPEC, suggested that consideration be given to LIFT, that increasing infrastructure resulted in an increased property value, and that a portion of the resulting increase in property taxes should be paid back to the body responsible for the infrastructure (an exact mirror of the process GVRD was requesting for the return of funds on the fuel tax).

- Mayor Don McLean, suggested the need to flesh out some of the ideas from the forum, and to draft a discussion paper that could be shared more widely with the public. He noted that there would be a consultation period on the 3 Year Plan and 10 Year Outlook and suggested that people should have information to take with them as food for thought to assist them in becoming more well rounded on the issues.

    - Bob Paddon, GVTA, reported that the Board had received a discussion paper at its last meeting, and indicated that a general consumption piece would be developed for printing in community newspapers and on the website. He commented that input from the forum would be very valuable in preparing the materials for the public.

- Mark Alison, City of New Westminster, offered encouragement for TransLink to begin warming people up to the idea of what they could face in terms of increased fees, taxes, etc. in years to come.

Kevin Evans, Facilitator, commented on the positive evolution of the tone of the forums from the first to the third. He offered that he sensed that a capacity to work together to move towards solutions had been developed and congratulated attendees on this achievement.

Milan Fischer, North Vancouver Transportation Planning Advisory Committee, led attendees in a round of applause to thank TransLink for organizing the forums.

CLOSING COMMENTS

Mayor Doug McCallum, Chair of the TransLink Board of Directors, thanked attendees for their contributions. He recognized that people had indicated their willingness to move towards solutions and to identify practical ways to improve the transportation system in the region. It was offered that there seemed to be recognition of the need to find a consensus and balance regarding the projects to be done and how they would be funded.

Chair McCallum expressed appreciation to the broad cross section of representatives who had participated in the forums and offered that there would be value in continuing similar forums in future years as the transportation plan moved forward.

In further comments, Chair McCallum discussed the positive impacts of integrating transit and transportation planning, and acknowledged that there were further possibilities to move the network towards total integration. He offered that this was one of the most livable regions in the world with tremendous barriers to overcome to improve the system, but expressed hope that together it would be possible to create a far better transportation system.

In conclusion, Chair McCallum indicted that reports from the forums, public and councils' feedback would be combined and provided in a package to the TransLink and GVRD Boards. He reiterated the need to begin implementation of transportation improvements, and assured that, beginning in 2004, improvements would be initiated. The need to be pro-active in meeting transit and transportation demands, particularly given the length of time that it took to build systems and to obtain buses, was emphasized.

Once again, Chair McCallum thanked attendees for their participation and acknowledged the invaluableness of their input.